

**FBIS**

# DAILY REPORT

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LIAOWANG EXAMINES U.S. 'COMPETITIVE STRATEGY'

HK271303 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 27-28

[Article by Chen Xiaolu, Ji Qinggong and Chen Zhiya: "An Analysis of U.S. 'Competitive Strategy'"]

[Text] The "Competitive Strategy" is a new strategic concept put forward by U.S. Secretary of Defense Weinberger on 5 February this year. It will be an overall strategy for the development of U.S. national defense in the coming period or even in the 21st century. This shows that the Reagan administration has, for the first time, brought its guiding ideology of perfecting military theory, strengthening army building, and renewing weaponry and equipment into line with its strategic orbit, thus adding new contents to its defense strategy and forming a perfect strategic system.

The "competitive strategy" indicates that the United States, propelled by the new technological revolution, resolves to adopt a new attitude and a series of more effective measures to strengthen its long-term competition with the Soviet Union in the armament field, including military, economic, and science and technological competition, so as to give play to its strong points and defeat the other side, enhance its competitiveness, and finally gain the upper hand over the Soviet Union as well as strategic initiative.

The "competitive strategy" was set forth by the Reagan administration after summing up historical experiences, analyzing its own relative strength and that of the Soviet Union, making an appraisal of the challenges lying ahead, and the needs of the strategy. The main bases for it are as follows:

-- Historical lessons. The Reagan administration believed that in the 1950's, the United States gained the upper hand in military affairs, but due to mistakes in its defense policy over the past 20 years or so and the large-scale arms expansion and war preparations of the Soviet Union in the same period, there is now a basic equilibrium between the two countries in both nuclear and conventional strength. The USSR has even surpassed the United States in certain spheres, putting the latter in a passive position. For this reason, the Reagan administration held that in order to fundamentally change this situation, it is necessary to avoid as many mistakes as possible in its policy and, while carrying out necessary readjustment of its military strategy, to work out a complete strategy for the development of its national defense which is able to give full play to the superiority of the United States.

-- The challenge lying ahead. Although efforts to "reestablish U.S. military strength" during the first half of the 1980's by the Reagan administration has basically changed the unfavorable trend in the relative strength of the U.S. forces and those of the USSR, the USSR trend in arms expansion has never been retarded, but has been further developed, constantly facing the United States with new challenges. Referring to the development of weaponry and equipment on both sides, Weinberger said that "the weaponry and equipment studies and development plans of the USSR, and its civil development plans relating to military affairs, cover a much wider field than those of the United States," and that at present, "the United States has reached just about the same level as the Soviet in the purchase of weapons." Judging from the investment in defense matters, the military expenditure of the USSR makes up 15 to 17 percent of the GNP, and that used for the purpose of developing weaponry and equipment constitutes nearly two thirds of the military expenditure. These percentages are much higher than those of the United States. In order to cope with this challenge, the Reagan administration believed that the United States must work out a new strategic policy and adopt a series of effective measures.



-- Successful experience. The United States has also achieved marked successes in its efforts to retard the trend of Soviet arms expansion. For example, while competing with the USSR in developing intercontinental ballistic missiles, the United States has put part of its research forces into developing low-level anti-defense techniques using bombers in order to make use of the weak points of Soviet air defense, forcing the Soviet Union to throw large sums of money into air defense construction. The Reagan administration held that "the result is better than allowing the Soviet Union to use its funds to develop offensive forces." This effort reflects the idea of competition, but it is still not mature strategic thinking. Therefore, for the United States, it is necessary to work out a flexible and effective strategy as soon as possible, to guide its competition with the Soviet Union. This is practical and can yield actual results.

-- The needs of strategy. For a long time past, the United States has attached importance to the development and perfection of its military strategy and has basically solved the question of "how to use and threaten to use military force." It has also followed the principle of making its military strategy subordinate to national security. This becomes an important component part of its defense strategy. However, on the question of developing and strengthening military forces, it always failed to bring its army building and weaponry development into line with the military forces. In view of the fact that the new technical revolution has produced a great impact on army building and weaponry development and the needs of strategy thus emerged, the Reagan administration felt that "working out a strategy for carrying out effective competition with the Soviet Union has become a top priority task for the United States at present." The "competitive strategy" thus becomes the latest choice of the Reagan administration.

-- Technological development. The Reagan administration contended that "we have now entered a period of rapid technological development, which enables us to give full play to our superiority." In today's world, "the United States is in the lead in 14 of the 20 most advanced technologies, while maintaining balance with the Soviet Union in the other 6." This is the greatest superiority of the United States and a fatal weakness of the Soviet Union. The strong points of the United States in newly emerging technology and advanced productive technology form a reliable basis for the Reagan administration in drafting the competitive national defense development strategy.

In essence, the "competitive strategy" includes mainly: 1.) Guiding the drafting and implementation of weaponry and equipment research, development, and purchase plan; 2.) revising and perfecting strategic theory and guiding operational principles; and 3.) reforming the defense system and structure so as to give full play to United States superiority in various fields. The basic content of this strategy is: To pay more attention to what the U.S. military strategy and defense policy is aimed at; to emphasizing that all defense development plans should take the USSR as their rival; to proceed from its real economic strength and take the development of new technologies as a breakthrough; and to enhance the overall competitiveness of the United States through "effectively using all kinds of resources: in its trial of strength with the USSR, so as to contain the latter in military affairs, crush it in science and technology, and wear it down in the economic field.

In order to carry out the "competitive strategy" effectively, the Reagan administration intends to make efforts in the following aspects:

-- To establish a principle of utilizing its strong points to attack the weak points of the enemy. In the past few decades, the arms race between the United States and the Soviet Union was carried out around the central link of increasing the quantity and improving the quality of weapons. Each side adopted relevant countermeasures against the other side when the latter created or developed a certain kind of weapon. As neither of them would make a concession, the contention was gradually upgraded. As a result, none could be in a position of absolute predominance. When one side was temporarily in the lead, the other side would catch up with it very soon, and a new balance in strength would be reached. The "competitive strategy," however, has thrown away this traditional rule of competition, saying evidently that "the United States does not need to carry out plane-to-plane and tank-to-tank competition with the USSR." What it needs to do is to give full play to its superiority in those spheres that the United States has gained the upper hand, so as to utilize its strong points to attack the enemy's weak points. The Reagan administration held that taking this as the basic principle of the U.S. national defense development strategy will not only be helpful to maintaining the "time difference" between the United States and the Soviet Union in the development of weaponry and equipment, but will also force the Soviet Union to change the orientation of certain investments in order to cope with the U.S. challenge in that field. Thus, it will be possible to contain the Soviet Union to the greatest possible extent. Judged from a long-term point of view, this basic principle of the "competitive strategy" will help the United States to guide the competition toward a sphere favorable to itself and force the Soviet Union to withdraw from an offensive to a defensive strategy and from activeness to passiveness. It will also make the Soviet Union consume more strength and resources in the long-term competition.

-- To accelerate the development of U.S. military technology. Along with the development of the new technological revolution, the period of research and application of military technology will be gradually shortened, the speed of changing technological potentialities into real military strength will be accelerated, and the concept of systematic military technology will be playing an increasing role in the development of weaponry and equipment and in army building. For this reason, the Reagan administration will take the new technological revolution as the main shaft in enhancing the U.S. military strength, accelerate the development of its military technology, and fully tap technological potentialities and change them into the real military strength and fighting effectiveness of the army as quickly as possible, so as to maintain and continuously expand the difference between the United States and the Soviet Union in respect of the quality of the army and of weaponry and counteract its weakness in quantity. Weinberger said that in the past, by developing anti-submarine technology, the United States made the Soviet ballistic missile submarines limit their activities in its coastal waters in order not to be attacked. As a result, the Soviet threat to sea lanes for the United States and its European and Asian allies was reduced in the initial period of war. The efforts of the United States in developing military technology yielded strategic results. This is the orientation of the United States in its future efforts. In the development of military technology, the Reagan administration will take the "plan for strategic defense" as the main project to bring along progress in a group of technologies, and will more widely apply the most advanced technologies concerning this plan, to the development of both nuclear and conventional weapons. For this reason, the Reagan administration plans to spend \$4.8 billion in 1987 on the "plan for strategic defense" and spend \$42 billion on studying and developing new technologies, equipment, and weaponry. Apart from greater efforts in developing some key projects such as laser, particle beam, optical sounding, electromagnetic artillery, and computers, it will also open up some new fields of study, such as laser satellite networks, light signal treatment, and ultrashort lasers.

-- To expand the sphere of competition with the Soviet Union. The Reagan administration believes that the "competitive strategy" is not merely reflected in military and technological fields, it concerns all relevant fields of national security. What is more important is to give full play to its effectiveness as a whole. Therefore, "the United States must make positive efforts to expand the sphere of competition," and have the idea of competition included in all kinds of development plans as far as possible. The Reagan administration envisaged that if the United States could use its advanced technology to produce a kind of airplane, ballistic missile, and cruise missile invisible to the Soviet radar, all the Soviet investment in the development of air-defense forces will be wasted. If the U.S. strategic forces become capable of breaking through the Soviet defense and entering its territory to attack strategic targets, the confidence of the Soviet Union in launching a nuclear war will certainly be weakened. It will then give up its nuclear war plan and change to "peaceful competition" with the United States.

-- To intensify the collection of intelligence data about the Soviet Union. "In order to practice the competitive strategy better," the Reagan administration believes that "the United States must have a thorough understanding of its adversary." Discovering the weak points and shortcomings of the Soviet Union and anticipating the development trend in the balance of military strength. Extensive, quick and abundant information is therefore a prerequisite for the U.S. in carrying out the "competitive strategy." The Reagan administration has spent a lot of money improving U.S. efficiency in collecting information and achieved great progress in some aspects, but it has decided to make more efforts. The scope of gathering information ranges from Soviet military strength structure, leadership stratum, and army morale up to its social conditions, such as problems relating to drinking, diseases and population. In addition, the United States "is also making careful analysis of Soviet military thinking, tactical science, and concept of operation, to adopt countermeasures against the Soviet Union so as to force it to change its guiding military ideas for "actual combat," and to prevent the Soviet Union from making correct judgments for its future military actions.

To sum up, it is the first time the United States has put forward such a "competitive strategy" since the Second World War as a strategic guide for the development of its national defense. This will have great impact on the improvement of U.S. military theories, the strengthening of its armed forces and the updating of weapon equipment. It must however be seen that at a time when the rivalries between the United States and the Soviet Union are becoming increasingly acute, this new U.S. strategic thinking will certainly step up the armament race between the two countries and lead to a new escalation of the race. It is hard to contemplate that the competition between the two countries will develop as the United States desires, and there is even less possibility that the United States and the Soviets will stop or give up the 40-year-long rivalries between them, and that they will change their course and embark on the so-called "peaceful competition."



PRC, JAPAN DELEGATIONS HOPE TO EASE TRADE IMBALANCE

HK280430 Beijing CHINA DAILY in English 28 May 86 p 1

[By staff reporter Zhu Ling]

[Text] High-powered trade missions from China and Japan meet today in Beijing hoping to find ways to ease the huge imbalance in bilateral trade. The biggest-ever Japanese delegation to China, 163-strong, arrived in the capital yesterday afternoon for four days of talks with top Chinese trade leaders.

The focus of their talks will be on how to cut Japan's enormous trade surplus with China and further promote bilateral economic and technological co-operation, said Shen Jueren, assistant minister of foreign economic relations and trade. He is also the head of the 160-member Chinese side. "Sino-Japanese trade has boomed over the past two years, and the two countries have become important trading partners," Shen told CHINA DAILY yesterday. But trade and economic cooperation, he said, were plagued by many problems, "especially our enormous trade deficit with Japan." China's deficit with Japan, the country's largest trading partner, soared from \$2 billion in 1984 to \$5.2 billion last year. This year's deficit is estimated to reach at least \$3 billion. China, as a developing country with a long-term shortage of foreign exchange, could not endure a long-term deficit, said Shen.

Top Chinese leaders, including Deng Xiaoping, have voiced their concern about the trade imbalance. Early this month, Premier Zhao Ziyang told a Japanese group that the two countries should make joint efforts to eliminate the trade gap and guarantee the sound development of bilateral trade.

The Japanese Government has also shown concern over the deficit problem. Last month, Japanese Prime Minister Yasuhiro Nakasone told the visiting Chinese Foreign Minister Wu Xueqian his government sincerely hoped to reduce the trade imbalance. "We are seriously ready this time for some concrete results to ease the trade imbalance in a positive way, trying to avoid passive way -- cutting Japanese imports," Shen said.

After the opening ceremony today, 10 Chinese groups, headed by the president of China's 10 national import and export corporations, will begin talks with their Japanese counterparts, including senior government trade officials and almost all Japan's top business leaders.

The biggest ever get-together between the two countries was the result of an oral agreement between the Chinese foreign trade minister and the Japanese minister of finance last September in Japan. "We hope that we will not only seek ways for long-term trade cooperation -- we also need to clear away the current trade barriers so Japan can open its markets to our commodities," Shen said. He pointed out that Japan levied higher duties on some Chinese products, such as carpets, than it levied on products from the United States and EEC countries. There were also excessive controls on imports of Chinese products including silk, fruit, vegetables and rice straw, he said.

Shen said he hoped the forthcoming meeting would not only discuss ways to expand China's traditional exports to Japan, but that the Japanese side would help China develop new products that the Japanese market would need in the long term. The assistant minister said: "We are willing to listen to suggestions from the Japanese side about our exports and we will make further efforts to improve our products' quality, packaging and quicken delivery."

Meanwhile, agency reports from Tokyo said that a top-level advisory panel on Monday called on the Japanese to increase direct overseas investment and spur imports to reduce Japan's huge trade surplus. The Industrial Structure Council, an advisory body to Michio Watanabe, international trade and industry minister, laid out a series of recommendations aimed at restructuring Japanese industry to help Japan fit better into the world economy.

#### Heads of Delegations Speak

OW281724 Beijing XINHUA in English 1529 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Over 350 Chinese and Japanese delegates here today started exchanging views on how to further Sino-Japanese economic cooperation and trade and eliminate the imbalance in their trade. Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, and Ryoichi Kawai, head of the Japanese delegation and acting president of the Japan-China Association for Economy and Trade, addressed the first meeting this morning.

Shen hoped the Japanese mission would discuss principles as well as concrete matters with the emphasis on the latter. He said one should take a long view in order to further Sino-Japanese economic and trade ties. He urged the two sides to act in a spirit of dealing with concrete problems, on which views will be exchanged sincerely and frankly. Methods and channels will be found to solve these problems in order to promote the expansion of cooperation, he added.

He hoped the talks would, first, enhance friendship, promote economic relations and trade, expand China's exports to Japan and solve the trade deficit problem in a positive manner and step by step. Secondly, the two sides will study measures for trade expansion in the near and long-term future, and also remove the present urgent trade obstacles. Thirdly, they will study the expansion of exports of traditional Chinese commodities, and the Japanese side will help China develop new products for export to Japan.

Shen proposed the following to the Japanese side:

-- The Japanese Government should further open its market including abolition of the restrictions on China's products, relaxation of quotas, lowering of unreasonable tariffs and increase of varieties for preferential tariffs;

-- Both sides should strengthen cooperation to put the problem of animal and plant quarantine on the agenda in order to eliminate this obstacle to exports to Japan as quickly as possible, and promote the expansion of varieties and quantities of China's products to Japan;

-- With a view to increasing the export capability of the Chinese side, concrete projects and contents should be fixed for the cooperation in setting up production bases for export commodities, developing new goods, transferring technology, transforming old factories, sending experts to give lectures and instructions, receiving students, and holding exhibitions of China's commodities.

Shen pointed out that China is willing to listen to views of the Japanese side on improving China's export work. He added that China will make efforts to improve the quality of goods, increase varieties and colors, stabilize goods supply, and deliver goods in time, in order to make Chinese goods suit the needs of the Japanese market.



Kawai said that since the normalization of diplomatic relations between Japan and China in 1972 their relations have developed in ever-wider areas. China has become Japan's second largest trading partner, while Japan is the largest trading partner of China. He noted that there do exist some problems in Japan-China trade. He said the then Japanese Minister of Trade and Industry, Keiji Murata, and Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin exchanged views on bilateral trade during Murata's visit to China last September. This shows that the two countries attach great importance to developing their trade. This time the Japanese side has sent a delegation which includes both government and corporate representatives. He expressed the belief that so long as the two sides abide by the principles of mutual understanding and mutual accommodation Japan-China trade will be further expanded.

#### Minister Calls for Cooperation

OW281012 Beijing XINHUA in English 0938 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, today called on China and Japan to make efforts to balance their trade. He said that the key to a long-term and steady development of Sino-Japanese trade lies in a hefty expansion of China's exports and speedy reduction of China's deficit so as to positively balance trade between the two countries. Zheng made these remarks at the first meeting of a Chinese delegation and a visiting Japanese trade delegation at the International Club here this morning. Over 350 members of the delegations exchanged views on how to further Sino-Japanese economic cooperation and trade and how to eliminate the imbalance in their trade. Zheng reviewed the smooth development of Sino-Japanese economic relations and trade through the common efforts of the two governments and the two peoples in recent years.

He gave the 1985 volume of Sino-Japanese trade as 16.4 billion U.S. dollars, an all-time high. However, China's deficit in the same year reached 5.2 billion U.S. dollars, resulting in a large trade imbalance, he said. To eliminate this deficit so as to promote trade between the two countries, Zheng said, China should first strive to improve the quality of its exports, readjust its commodity structure and expand its production of goods suited to the Japanese market in order to make its products more competitive. At the same time, he hoped that Japan would take a long-term point of view in helping China expand its exports to Japan.

He pointed out that the expansion of China's exports to Japan and the strengthening of China's ability to make payment will also create favorable conditions for increasing Japanese exports to China. "This, no doubt, will benefit both sides," he added. He called on Japan to take an active attitude toward removing some artificially imposed obstacles and solving some concrete problems hampering the development of Sino-Japanese trade, such as high tariffs, import quotas, prohibition of certain imports, and animal and plant quarantine.

He also suggested that Japan offer ideas and suggestions concerning the types of goods Japan is receptive to, so that the two sides can reach agreement on certain cooperation projects, thus contributing to a balanced development of Sino-Japanese trade. He expressed the belief that there are broad prospects for the development of Sino-Japanese economic relations and trade so long as the two countries give full play to their advantages, consolidate their achievements and solve emerging problems in a timely fashion, under the principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability".

## Zheng Tuobin Hosts Dinner

OW281656 Beijing XINHUA in English 1446 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, today told a visiting Japanese trade delegation that Chinese economic and trade circles attach great importance to its visit. In his toast at the dinner he gave for the visitors this evening, Zheng described the talks between the two sides conducted earlier today to look into ways of expanding bilateral trade as very significant.

Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, said that through the talks, both sides have realized that expansion of Sino-Japanese trade is very important. To pursue a stable development of Sino-Japanese trade, he added, the two sides must first solve the existing problems. The two sides should work in line with the four principles of developing Sino-Japanese relations and settle the issue sincerely and in a down-to-earth manner, he said.

NOTES EXCHANGED FOR JAPANESE LOAN TO PRC

OW281050 Beijing XINHUA in English 1035 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- An exchange of notes agreeing that the Japanese Government will loan China 80.6 billion Japanese yen (roughly 470 million U.S. dollars) for 1986 was signed here this afternoon. According to the notes, the repayment period will be for 20 years following a 10 year grace period, at an annual interest rate of 3.5 percent. The money will be used for seven major construction projects. These projects are: The no 3 and no 4 docks in Qinhuangdao port (planned to be completed in 1988), second phase of construction of Miaoling dock at Lianyung port (planned to be completed in 1990), construction of Qianwangang area of Qingdao port (planned to be completed in 1990), construction of electric railway between Hengyang and Guangzhou (planned to be completed in 1988), electric railways between Zhengzhou and Baoji (planned to be completed in 1988), expansion of telephone lines in Tianjin, Shanghai and Guangzhou cities (planned to be completed in 1989) and Tianshengqiao (Basuo) hydropower station (planned to be completed in 1991).

During his visit to China in March 1984, Japanese Prime Minister Yasuhiro Nakasone promised to provide 474 billion Japanese yen in government loans to China for these seven projects. Agreements were signed annually on the use of the promised loans and today's exchange of notes was a procedure before the agreement for 1986 is signed on June 4th in Tokyo.

Chinese Vice-Minister of Foreign Affairs Lie Shuqing and Charge d'Affaires ad interim of the Japanese Embassy in Beijing Kagechika Matano signed the exchange of notes on behalf of their governments.

QIAO SHI MEETS, FETES DPRK PARTY SECRETARY

OW271102 Beijing XINHUA in English 1049 GMT 27 May 86

[Text] Beijing, May 28 (XINHUA) -- Qiao Shi, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of China (CPC), met and feted here this evening Hwang Chang-yop, secretary of the secretariat of the Korean Workers' Party Central Committee, and his party. Zhu Liang, head of the International Liaison Department of the CPC Central Committee, held talks with Hwang here this afternoon. The Korean visitors arrived here this morning.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

## Feted by Irish Counterpart

OW280606 Beijing XINHUA in English 0559 GMT 28 May 86

[Text] Dublin, May 27 (XINHUA) -- Irish Foreign Minister Peter Barry said tonight Ireland and China "share a deep commitment to the development of international peace and stability and happily enjoy excellent relations." At a dinner honoring China's Foreign Minister Wu Xueqian, Barry said China and Ireland agree that the nuclear arms race constitutes a grave threat to world peace and security.

Barry praised China's modernization and economic progress in recent years. "your country is experiencing a period of rapid change. It is clear that your policies have already achieved significant results and improved dramatically the living standards of your people." Barry said Wu's visit marks an important stage in the development of Sino-Irish relations. "I am confident that our cooperation and mutual understanding will grow steadily in the years ahead," he added.

Wu replied that the prestige of a country in the world does not hinge upon its size or strength, but upon whether its policy is conducive to world peace and progress of mankind. "I feel strongly that west and north European countries all want to check the superpower arms race and relax tension in Europe and the world at large and are playing an increasingly important role in striving for detente and disarmament," Wu declared. "They are in favor of greater unity and cooperation of Western Europe and better North-South relations, and have made unremitting efforts to this end." Wu's visit to Ireland is part of a nine-nation European trip.

## Meets Irish Prime Minister

OW290306 Beijing XINHUA in English 0126 GMT 29 May 86

[Excerpt] Dublin, May 28 (XINHUA) -- In a meeting today with Irish Prime Minister Garret Fitzgerald, Chinese Foreign Minister Wu Xueqian briefly detailed China's economic situation and reform structure. The two officials also discussed international issues of common interest.

## Meets Press, Hosts Dinner

OW290644 Beijing XINHUA in English 0624 GMT 29 May 86

[Text] Dublin, May 28 (XINHUA) -- The Chinese Government appreciates the peaceful and neutral foreign policy that Ireland is pursuing, Chinese Foreign Minister Wu Xueqian said at a press conference today. "I am confident that medium-sized and small countries in Europe should and can play a still bigger role in safeguarding and maintaining peace in Europe and throughout the world," Wu said. In the seven years since China and Ireland established diplomatic relations, "progress has been made in our relations," Wu noted. "I think there are great potentials for further development of our relations in all fields and I expect that to take place in the days to come," he added. Earlier today, Wu and his entourage visited Shannon free zone in west Ireland, where 100 plants operate in the world's first economic free zone. Wu hosted a dinner tonight at the Chinese ambassador's residence to honor Irish Foreign Minister Peter Barry. The next stop on Wu's nine-nation European trip is Denmark.

FURTHER REPORTAGE ON CAPE VERDE PREMIER'S VISIT

## Holds Talks With Ulanhu

OW281421 Beijing XINHUA in English May 28 (XINHUA) -- Vice President Ulanhu today told visiting Cape Verde's Prime Minister Pedro de Verona Rodrigues Pires that the Chinese Government and people will always firmly support the struggle of people in southern Africa till their final victory.

During a meeting here with Prime Minister Pire, Ulanhu noted that the main cause of the sustained tension and unrest in southern Africa lies in South Africa authorities' stubborn pursuit of the apartheid policy, obstruction of Namibia's independence, and invasion and interference into the neighboring countries.

The Chinese Government and people strongly condemn the recent bombing and attacks of the South African authorities on Botswana, Zimbabwe and Zambia, he said.

Pires said that the actions of the racist authorities in southern Africa will not succeed for they are against the interests of the African people. And he assured that the situation there will develop in the direction favorable to the people in southern Africa.

During the nearly one-hour meeting at the Great Hall of the People, the two leaders agreed to further strengthen bilateral friendly ties and economic and political cooperation. Ulanhu also praised Cape Verde for its practical policies adopted in the light of its own conditions, and hence the economic development and improvement of people's living standards.

Pires said that China's modernization drive has encouraged Cape Verde in its endeavor to find a way suitable to its own conditions. Pires and Ulanhu conveyed greetings between presidents of Cape Verde and China.

## Attends Stage Performance

OW281447 Beijing XINHUA in English 1423 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Prime Minister of Cape Verde Pedro Pires and Mrs. Pires attended a theatrical performance sponsored by the Ministry of Culture at the Great Hall of the People here this evening.

They were treated to dance, music and acrobatic items given by Chinese performing artists, accompanied by Chinese Minister of Light Industry Yang Bo. After the performance, the distinguished Verdian couple walked onto the stage and presented the performers with a basket of flowers and had a picture taken with them.

This morning, Prime Minister Pires laid a wreath before the monument to the people's heroes at the Tiananmen Square. Pires and his party also visited the Palace Museum, a bakery and confectionery, and an arts and crafts factory here today.



## Wife Meets Kang Keqing

OW281315 Beijing XINHUA in English 1210 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Kang Keqing, president of the All-China Women's Federation, met here today Mrs Adelcia Pires, member of the Central Committee of the Women's Organization of Cape Verde. The two sides expressed the hope for increased exchanges between the women's organizations of the two countries. Mrs Adelcia Pires is here with her husband on an official visit to China.

BOTHA WARNING TO S. AFRICA BLACKS CRITICIZED

HK280227 Beijing RENMIN RIBAO in Chinese 24 May 86 p 6

["International Jottings" by Ru Sheng: "The Big Stick Fails To Work"]

[Text] Botha, the head of the South African racist regime, recently made a speech. After prating about "constitutional reform" and the "sharing of power," he claimed that he will not make any concession to black people. He threatened that if black people do not give up their struggle, "they will unavoidably face all the power that the state can exercise," and "so far, the state has not fully exercised all of this power." What he really meant is that in the past, he still showed mercy to the black people and did not use every possible means to suppress them.

However, did the South African authorities not fully use their power to suppress black people? In Botha's prison, black leader Mandela and many black political activists are still locked up. Botha's army and policemen are arresting and killing black people every day. In the past 2 years and more, more than 10,000 people were arrested and nearly 2,000 people were killed. Last year, the South African authorities hanged black freedom fighter Moloyisai [5459 3157 0122 1049] .... did all this not show that Botha was fully exercising the "state power"? If he will "fully exercise this power," what will he do then?

People are waiting to see what the South African authorities will do. However, Botha should know that "one who does too much evils will certainly ruin oneself." The South African people's struggle against racism is now in ascendancy, and it is irresistible. Botha's threats will never scare them; instead, more and more black people will join the revolt, and even some white people will also participate in the struggle against the apartheid policy. The black people's struggle in South Africa will never stop. The brandishing of the big stick will just be of no avail.

AFRICAN STUDENTS DEMONSTRATE AGAINST SOUTH AFRICA

HK231040 Hong Kong AFP in English 1029 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Nearly one hundred African students demonstrated here Friday to protest South Africa's attacks this week on the capitals of Zimbabwe, Zambia and Botswana, eyewitnesses said.

Crying "down with apartheid," "down with Rambo" and "long live Libyan Mu'ammarr Qadhdhafi," the students gathered outside the U.S. Embassy here to denounce South African President Pieter Botha and Washington's policy of "constructive engagement" towards the Pretoria government.



The demonstrators, including students from Zambia and Zimbabwe, submitted a statement on the issue to U.S. representatives at the embassy, eyewitnesses said.

The protest was organized by the Organization of African Students in China and was officially sanctioned by the Beijing authorities.

The protesters were surrounded by an equal number of Chinese police as they walked to the British Embassy, where they observed a minute of silence in memory of the three victims of Monday's South African raids. Then they shouted slogans criticizing British Prime Minister Margaret Thatcher.

Next, the protestors moved on to the Zambian Embassy, where they were welcomed by Ambassador Maiza Chona, who addressed them with a strongly-worded speech against South African policy.

The group, viewed with surprise by Chinese passers-by, also made stops at the Zimbabwe Embassy and the Chinese office of the United Nations, where it dispersed peacefully.

Beijing on Tuesday expressed its "deepest indignation" over the South African raids, which it described as "a fresh crime."

Several hundred Africans are currently studying in China. In July, they organized a demonstration in the capital against the Pretoria government.

African students in Shanghai staged a general strike and a number of demonstrations in November, following several "racist" incidents involving Chinese, diplomats here said. The students later organized demonstrations in Beijing and Shanghai to protest against their treatment while in China.

#### IRAN'S RAFSANJANI RECEIVES PRC AMBASSADOR

OW260622 Beijing XINHUA in English 0543 GMT 26 May 86

[Text] Tehran, May 25 (XINHUA) -- Iranian Parliament Speaker Hashemi Rafsanjani received today Chinese Ambassador to Iran Wang Benzuo expressing the hope for faster development of relations between Iran and China. He said that after his visit to China last year, which made deep impression on him, relations between the two countries developed. However, there are still rooms for further cooperation in the fields of politics, economy, technology and trade.

The speaker hoped that Iran and China would make joint efforts to stabilize the oil price in the international market. The Chinese ambassador said that the Chinese Government attaches importance to the ties between the two states and the development of the relations.

YAO YILIN ARRIVES IN VANCOUVER FOR WORLD EXPO

OW271000 Beijing XINHUA in English 0948 GMT 27 May 86

[Text] Vancouver, May 26 (XINHUA) -- Chinese Vice-Premier Yao Yulin arrived here today to attend the opening ceremony tomorrow of the Chinese hall at the 1986 World Exposition on Transportation and Communications.

Vice-Premier Yao is here after winding up a three-day visit to two cities in Canada's Alberta Province, Calgary and Edmonton, where he met with provincial and municipal government leaders as well as industrialists and businessmen.

At two press conference Yao gave at the end of his visits to the two cities, the vice-premier said that there exist very broad prospects for Sino-Canadian cooperation, and the same is true with Alberta Province. But the vice-premier added that now China runs a relatively big deficit in its trade with Canada, and that he was happy to note this has come to the attention of the Canadian side. To balance their trade, Yao said, the two countries may engage in various forms of economic cooperation. Yao also said that China is willing to increase its imports from Canada, but this must be accompanied by an increase in its exports in order to pay for more imports.

Asked about the effects of falling grain prices on China, Yao said it mattered very little to China as it imports and exports almost the same amount of grains, both at cheaper prices. He however called for fair grain prices on the international market to reduce losses for Third World countries.

## Attends 'China Day'

OW281148 Beijing XINHUA in English 1118 GMT 28 May 86

[Text] Vancouver, May 27 (XINHUA) -- The 1986 World Exposition of Transportation and Communications marked "China Day" today amid the lions dances and the beating of drums. A grand ceremony was held this morning at the Plaza of Nations of the expo site, which was attended by Vice Premier Yao Yilin of the State Council of China, Ambassador Patrick Reid, commissioner general of Expo 86; William Bennett, premier of the Province of British Columbia, and Federal Minister of Labour William McKnight. At 11:00 a.m., the Chinese and Canadian national flags were hoisted, with a military band playing the Chinese and Canadian national anthems.

Speaking at the ceremony, Vice Premier Yao said the world exposition of such a large scale with a theme of transportation and communications hosted by Canada is of great significance, and Expo 86 has provided an important opportunity for exchanging the new technology in transportation and communications, sharing the latest knowledge and exploring the trend of future development. That's why, he said, it has received enthusiastic responses from many countries.

The Chinese Government attaches great importance to this world exposition, Yao said. In line with the theme of Expo 86, exhibits in the China pavilion range from bronze carts and horses of the ancient times to today's rockets and satellites, displaying part of the achievements China has made in the field of transportation and communications. Yao said that he hopes that Expo 86 will help enhance the mutual understanding and friendship between the Chinese and Canadian peoples, and promote the scientific, technological and cultural exchanges between the two countries.

As a developing country, Yao said, "our participation in Expo 86 has provided us with a very good opportunity to learn. We wish to strengthen our cooperation and exchanges in science and technology with other participants, including Canada, to learn from their strong points to offset our weakness, and to join efforts with them for an accelerated development of transportation and communications in the world."

Ambassador Reid said China's participation in Expo 86 has a particular significance. No nation has such a long civilization history as China, and China has brought to Expo 86 a nation with a rich past and bright future. After the ceremony, Beijing pop orchestra gave a performance to the audience. Then, Yao and his party visited British Columbia and Canada pavilion.

#### XINHUA ROUNDUP VIEWS U.S. CENTRAL AMERICAN POLICY

OW241020 Beijing XINHUA in English 0735 GMT 24 May 86

["Roundup: Washington Faces Dilemma Over Central America Policy (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, May 23 (XINHUA) -- In Guatemala this weekend, five Central American presidents will meet, for the first time since 1979, to iron out their differences over the Contadora-proposed peace treaty. But, in Washington, U.S. policymakers are troubled by supporting the treaty or snubbing it.

The Contadora Group -- Colombia, Mexico, Panama and Venezuela -- met in 1983 to promote peace negotiations among the Central American countries. After years of seeking a workable solution, the five countries of Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica will sign the peace treaty on June 6.

The dilemma for Washington is that the current draft of the treaty would significantly curb U.S. military influence in the region. The draft requires ending outside support for irregular forces, freezing arms acquisitions, banning international military maneuvers, withdrawing foreign military advisers and eliminating foreign military bases.

One section of the proposed treaty invites countries "with interests in the region" -- diplomatic shorthand for the United States, Cuba, and the Soviet Union -- to pledge not to do anything that would interfere with the pact.

Contadora was formed to give a Latin American, rather than a United States, diplomatic alternative to the Central American conflict, and to support peaceful negotiations to prevent a U.S. invasion of Nicaragua or a regional war. It is widely known that the United States is supporting the Nicaraguan rebels in their attempt to topple the Nicaraguan Government, which the U.S. would like to see out of power. Therefore, if the U.S. throws its support to the peace treaty, it will have to abandon efforts to help the "Contra" rebels, also called "counterrevolutionaries." But, if the U.S. does not embrace the treaty, it will be viewed as blocking a diplomatic solution to the Central American conflict and prospects for congressional approval of contra aid will diminish.

The United States is now pressed with a complicated situation.

In a letter to U.S. President Ronald Reagan, Republican Representative Jack Kemp of New York demanded replacing Reagan's special Central American envoy Philip Habib. Kemp argued in the letter that Habib had promised U.S. aid to the contras will end "on signature" of the peace treaty. On Thursday, White House spokesman Larry Speakes said that Reagan "is solidly behind his Central American envoy."

However, while paying lip-service to the peace treaty, Speakes stressed the United States would support "a comprehensive settlement in which all political and security commitments are simultaneously implemented, with concrete verification procedures to ensure compliance by all five parties."

The term "comprehensive means the treaty must address all 21 objectives, which include limiting military forces, implementing arms control, removing foreign troops and advisers, halting guerrilla subversion and promoting democratic institutions, according to Speakes.

The message is clear: Habib retains Reagan's confidence, but the treaty must meet U.S. objectives to be acceptable. "We aren't going to leave the contras out on a limb" until it is, Speakes declared.

A U.S. Pentagon report noted the peace treaty essentially would grant Nicaragua a license to cheat, and after several years, the only way for the U.S. to stop Nicaragua would be with 100,000 U.S. Army troops plus substantial naval and air power at a first-year cost of perhaps 9.1 billion dollars. Despite this, the U.S. Congress has dealt Reagan a heavy blow to his Nicaragua policy by voting repeatedly to deny his aid request for the contras. Recently, 100 House Democrats sent a letter to Reagan, urging him to support a Contadora agreement that meets the "legitimate security considerations" of the United States and to start negotiations with Nicaragua in the Contadora context.

The United States has, on many occasions, blamed Nicaragua for blocking the peace process. In 1984, after Nicaragua had agreed to sign the treaty, the U.S. pressed the other four countries into objecting to it by raising the verification issue. Then in a meeting in Panama April 5-7 this year, the U.S. again accused Nicaragua of refusing to sign the treaty. But, Nicaragua did not refuse in principle. It said it could not sign an agreement unless the United States ceased aiding the "contra" war against Nicaragua.

The "CHRISTIAN SCIENCE MONITOR" called this "hardly an unreasonable position" because "who would expect Nicaragua to commit itself to limit its armed forces and withdraw Soviet and Cuban advisers while it was still under the attack of contra forces supported by the U.S.?" The newspaper article continued, "The way to a Contadora agreement is open" and "the choice between war and diplomacy is ours." "If we miss this opportunity...we may soon find ourselves locked into a pattern of military escalation from which there will be no easy return. History will not then deal kindly with us," the paper concluded.

Whether the United States will take that advice is hard to tell. It really is a kind of good medicine, though a little bitter, because peace in Central America will bring good not only to the region's people, but to the American people as well.



GUANGMING RIBAO ON STUDYING 'WESTERN MARXISM'

HK280749 Beijing GUANGMING RIBAO in Chinese 19 May 86 p 3

[Article by Li Zhongshang: "Studying Marxism by Making Comparisons -- On the Real Significance of Studying 'Western Marxism'"]

[Text] At the party's national delegate conference, Comrade Deng Xiaoping solemnly called on the whole party to study Marxist theory in connection with the new realities. The so-called "new realities" mainly refer to the new social situation at home and abroad. Meanwhile, the study of Marxism should also be linked with the analysis of various trends of thought at home and abroad. Only by making analysis can one make comparisons, and only by making comparisons can one distinguish the true from the false and more profoundly realize the scientific nature and the correctness of Marxism so as to continuously enrich and develop Marxism.

"Western Marxism," which is rather prevalent in developed capitalist countries in modern times, is a trend of thought that we should seriously analyze and study. "Western Marxism" emerged in the early 1920's. It was the result of some communists' efforts to make new explorations in developing Marxism. However, the theories of "Western Marxism" were later developed by Western bourgeois scholars. In the late 1960's, "Western Marxism" came into vogue for a time. An important reason for this was that student and labor movements were surging up in the West, and a "Marxism fever" appeared along with these movement. For example, the press and radio in the FRG talked about Marx, Engels, and Lenin almost every day, and almost all universities and colleges in the United States gave courses in Marxism. "Western Marxism" expanded its influence through the extensive study of Marxism. In the past 30 years, "Western Marxism" was regarded as "unorthodox," "nonpartisan," and "of no political and ideological inclinations" and it was an independent school in the studies of Marxist theory. However, "Western Marxism" itself is not an integrated and systematical system of thought; rather, it is a collection of some regional ideological concepts. It includes various opinions of various schools of thought. For example, it includes such schools of thought as "Marxism of Hegelianism," "practical socialism," "theory of social critique," and "French Marxism." There are some major differences among these theories. We hold that the western bourgeois scholars studies of Marxism cannot be placed on an equal level with the creative studies of some European communists who made outstanding contributions to the development of Marxism. Some Western scholars also include the latter in the category of "Western Marxism," and this is not correct.

Today, when studying "Western Marxism," we should first gain more comprehensive understanding of the regularity of the changes in capitalism through making comparisons, and should answer the questions raised by Western scholars regarding Marxist theory. Thus, we may more profoundly understand the urgent necessity of commanding and developing Marxism. "Western Marxism" is called "Marxism in developed capitalist society." In the eyes of the Western scholars who develop "Western Marxism," the main achievements and characteristics of modern capitalism are the development of science and technology and the affluence of material wealth. In particular, science and technology, as a main part of productive forces, have become a direct source of surplus value. This thus changed the traditional Marxist viewpoint that only man's labor creates surplus value, and also changed the structure and functions of the two major classes in capitalist society.



The antagonism and contradiction between these two classes are no longer the main factor in historical change. Common interests based on maintaining and improving the existing system closely tie the two antagonist classes together, and the proletariat has been integrated into the capitalist system. These viewpoints are obviously erroneous. They neglect the fact that science and technology result from human efforts in making inventions, developments, and operations. Even robots are the result of man's labor, and the value created by such technologies is transferred from the value created by man's labor. The conclusion that the proletariat is integrated with the capitalist system is based merely on a misunderstanding of the concept of "working men" which was related merely to hard work and poverty without regarding the fundamental interests and revolutionary character of the proletariat. In essence, this erroneous viewpoint negates the fact that the capitalist employment relationship will inevitably give rise to two antagonist classes. In addition, on the basis of psychological analysis, "Western Marxism" holds that people's "aversion" to modern capitalist society is the main reason for revolution; on the basis of the viewpoint that culture is a supreme factor that determines everything, it holds that intellectuals and young students form the vanguard of revolution and that "black people, white vagrants, jobless people," and other people of low social strata constitute the main force of revolution. These viewpoints as well as the viewpoint about the future social form are not in line with the actual situation in social revolutions and social development and are also in violation of the basic principles of Marxism.

The study of "Western Marxism" will also enable us to realize more profoundly through comparison that under the contemporary historical conditions which are changing and are quite different from the previous conditions, we should still adhere to the dialectical materialist line and method of thinking. The fundamental reason for the theoretical falsehood of Western Marxism lies in the idealist thinking method, which prevents the Western scholars from correctly understanding the essence of the social phenomena that they can touch. Western Marxism openly calls for studying and restoring the Hegelian philosophical foundation for Marxism. In their eyes, historical phenomena can be correctly understood only in a concrete and integrated historical process, and the advantages of Hegelian philosophy lie in its recognition of the importance of history and its treatment of the subjective body as the original motive force and results of the historical process, which leads to the unity of the subject and the object -- the proletariat with class consciousness -- according to this theory of Hegel. So, "Western Marxism" holds that only Hegelian philosophy is the real source and secret of Marxism and that Marxism is merely the materialist extension of Hegelian philosophy. In order to eliminate "dogmatic Marxism," it is necessary to restore the original Hegelian elements in Marxism. This opinion not only turns Marxism into Hegelianism, but also reverses the process of Marx' transformation of Hegel's idealist philosophy to materialism. In "Western Marxism," idealism regains a dominant position. Facts show that only by adhering to the materialist viewpoint of testing truth in practice can we eliminate dogmatism in the study of Marxism. However, those who advocate "Western Marxism" are trying to seek a solution in Hegel's philosophy. In doing so, they have deviated to an erroneous road. In addition, they advocate that "everything is for man's happiness." It is correct to say this if "man" refers to man in reality and man living in socialism and communism who is free from the enslavement of capital.

However, their concept of "man" is abstract, and it is unavoidable that their theories are not in line with things in reality. They try to simplify Marxism into humanism and to create Marxist humanism. This is in fact retrogression in theory: They draw Marx' "man in reality" back to abstract man and draw special humanism back to general and abstract humanism.

Moreover, the study of Western Marxism will enable us to obtain more valuable food for thought in order to enrich and develop Marxism. Marxism is the crystallization of all advanced thought of mankind. As a science, Marxism is all mankind's wealth. Although the "Western Marxists" have put forward many non-Marxist viewpoints, most of them are sincere in exploring the way to transform society and in seeking truth through studying Marxism as they are dissatisfied with the realities in society. So, they can partly reflect the actual situation in modern capitalist society. For example, they realize the great role of science and technology as a main part of productive forces, and notice the possibility of a proletarian revolution caused by the desire of the working class to improve social welfare. Although their theories and methods are erroneous because they are all based on Hegelianism, existentialism, humanism, and psychological analysis, they can still to a certain degree reveal the fact that the working class and the people are oppressed in capitalist society. "Western Marxism" views the defects of capitalist society from a special angle and also deals with some actual questions concerning the transition from capitalism to socialism. The efforts of "Western Marxists" to combine their theories with modern capitalism are unsuccessful, but their explorations have indeed provided some useful food for thought and we should also seriously consider the questions they have raised or have met.

#### JINGJI RIBAO VIEWS 'DOUBLE-HUNDRED' POLICY

HK281406 Beijing JINGJI RIBAO in Chinese 24 May 86 p 2

[Article by Yu Guangyuan: "The 'Double-Hundred' Policy Should Be Implemented When Carrying Out Academic Study of Economic Problems"]

[Text] Academic as well as work studies can be conducted on economic issues; the difference between them lies in the nature but not the realm of the study. To find a solution for an economic problem, a work conference may be convened; study will, of course, be conducted at the conference, democracy should also be brought forward, and the participants are encouraged to air their views freely. However, as it is a work conference, actions are to be taken afterwards; therefore, the strategic decision makers are to draw a conclusion (which may, of course, be done after the conference). But once a conclusion is drawn, it must be implemented in practical work. Studies of this nature do not belong to the realm of academic studies. Academic studies do not require everyone to follow their conclusions. Their aim is to explore truth through studies, thinking, and discussions, and often no conclusions are drawn. This is because even when conclusions are drawn, they have no restrictive power. Such studies can only affect our work, and they cannot be decisions on practical work. Regarding the results of academic studies, the strategic decision makers may draw from them what is helpful to them. But this process of absorption has exceeded the realm of academic studies.

The principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend" should be implemented in academic studies. The same with the academic studies on economic issues.

China is today building socialist modernization, of which economic construction occupies the most important place. Many economic issues should undergo research. We have such issues as economic reforms, basic economic science, applied economic issues of all descriptions are awaiting us to do academic research on them. Any research has the nature of experiment. We cannot expect a complete and perfect conclusion promptly in an experiment, nor even a correct one. An erroneous idea exists today that demands correctness in what people say. This is because a mature conclusion presented for the first time in experiment can only be exceptional. If people are required to speak only correct ideas in the course of their experiments, that would block the road on the march to truth. Therefore, we can only encourage people to be bold in exploring truth, and the practice of arbitrarily criticizing people politically is entirely wrong. Because economic issues to be researched are so great in number, the "double-hundred" principle must be well adhered to, and always. The situation of those 30 years should never be allowed to reappear. The "double-hundred" principle was implemented for a very short period of time in those years; then, it was abolished de facto.

Several problems must be well solved if the "double-hundred" principle is to be implemented in academic studies of economics over a long period of time.

First, it is necessary to deepen our understanding of the implementation of the principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend."

The "double-hundred" principle is a basic principle to make science and art thrive. It is drawn from the nature of science and art as well as a basic national policy. If the principle of "letting a hundred flowers bloom" should fail to be implemented in science work, namely, forbidding variation in the topics, approaches, and realms in research, and if the principle of "letting a hundred schools of thought contend" should fail to be implemented, forbidding free discussion, criticism, and counter-criticism in academic studies, would it be possible for the progress of science undertakings in China? Therefore, all incorrect ideas concerning implementation of the "double-hundred" principle should be overcome with an effort.

Second, active support and encouragement should be given to academic studies.

Little encouragement has been given to academic studies on economic issues since the founding of the PRC. Attention has been attached to this respect in recent years; however, it is still far from satisfactory. The encouragement we refer to here primarily means providing a good working condition for researchers. Attention should also be attached to material encouragement; however, working conditions are more important to those people engaged in academic studies. In recent years, there are more restrictions than help to the work of the academic circles, and their enthusiasm has not been successfully developed. The Central Committee called a conference on intellectuals in 1956.



At that conference, Comrade Zhou Enlai delivered a report on behalf of the CPC Central Committee on the question of intellectuals, and emphatically pointed out: The utilization of science and knowledge is all the more necessary in the age of socialism than in any other age past. He proposed that it was necessary fully to mobilize and bring into play the power of the intellectuals, and regarded it a very important measure to offer the intellectuals necessary work conditions and appropriate treatment. This is still very significant today.

And third, it is necessary to open up vast fields of activities for academic studies.

Without a field to publish the results of scientific research, the implementation of the "double-hundred" principle may become empty words. The fields of activities referred to here include all kinds of publications (newspapers, journals, books, as well as other printed matters, audio and video tapes) and academic conferences at which science theses may be read and academic opinions may be aired. Newspapers specialized in economics have greater capacity; aside from other tasks, they may provide academic studies with the greatest possible space for publication and play an important role in the progress of academic studies with economic issues as the object.

#### CPC MEMBERS' LETTER ATTACKS BUREAUCRACY

OW280841 Beijing XINHUA in English 0629 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Red-tape is meeting increasing challenges as the drive to improve the party style of work goes deeper into the central party and government institutions.

The party committee on state organs today made public a letter written by six rank-and-file party members from the State Planning Commission, exposing how the bureaucratic style of work at the commission impedes the modernization effort, and calling for immediate measures to change all this.

The drive to improve the party style of work was touched off by the Secretariat of the Central Committee of the Chinese Communist Party earlier this year when party General Secretary Hu Yaobang called on central party and government organs to set an example for all units to follow in improving work efficiency.

But the old seems to die hard. Almost half of the year has gone by and little improvement has been made in some departments with regard to bureaucracy.

In the State Planning Commission, which is responsible for examining and approving construction projects, the red-tape has reached intolerable proportions, according to the six from the commission's Mechanical and Electrical Equipment Bureau.

The proposed plan for one large machinery project, the letter said, had passed through the hands of 39 people and took 88 days before it was approved. Another document took 181 days.

For a capital construction project, the average travel time for a document is 57 days. Some documents even get lost in the process.

The main reason, the letter said, is that some leading cadres only indulge in seeking power instead of dedicating themselves to speeding the country's construction and serving the modernization effort.

The letter said that blurred areas of responsibility and the poor professional quality of the staff also contributed to red-tape.

In a comment on the letter, the party committee on central government institutions said that bureaucracy is also seen in other aspects of work, which dampens the zeal of the cadres and people for modernization, harms the image of the party, and obstructs reform and the implementation of the open policy.

The committee urged all government departments to uproot bureaucratic practices and strive for a radical change in the style of work.

#### LI PENG ATTENDS MEETING OF YOUTH WORKERS

OW270842 Beijing XINHUA Domestic Service in Chinese 1350 GMT 26 May 86

[By reporter Zhang Sutang]

[Excerpts] Beijing, 26 May (XINHUA) -- On the eve of the "1 June" International Children's Day, the CYL Central Committee and the National Committee for Young Pioneers Work cosponsored a meeting at the Great Hall of the People this afternoon for youth workers. Over 160 people, including representatives of outstanding Young Pioneer counselors and outstanding teachers, retired veteran cadres, and youth workers, gathered under the same roof to exchange their experiences in intensifying communist education among young people. They also put forward many important proposals.

Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended the meeting. Liu Yandong, member of the Secretariat of the CYL Central Committee, also addressed the meeting. Among those attending the meeting were leading members of the State Education Commission the All-China Women's Federation, and the All-China Federation of Trade Union.

#### Stresses Moral Education

OW281136 Beijing XINHUA Domestic Service in Chinese 1315 GMT 26 May 86

[Text] Beijing, 26 May (XINHUA) -- Strengthening Moral Education Among Children Is a Fundamental Measure for Enhancing the Quality of the Whole Nation -- speech at a seminar of children's education workers held to mark "1 June" Children's Day

By Li Peng (26 May 1986)

As "1 June" International Children's Day is approaching, the CYL Central Committee and the All-China Young Pioneers' Work Committee are holding a seminar with Young Pioneers' instructors and children's educational workers here to discuss questions of how to strengthen education in communist ideology and morality among young people and how to effectively promote the sound growth of our new generation in the new situation brought about by the ongoing reform throughout the country. As this is an important issue of great concern to the party, the entire society, and the people of all nationalities throughout the country, it will certainly have the approval and support of all. We are glad to observe that China's education is developing vigorously as are other fields of work throughout the nation, that education reform is also advancing steadily as are the reforms in other areas of work, that our educational work is making constant progress, and that our children are growing healthily in the embrace of the motherland.



It should be pointed out that the masses of children's educational workers have made tremendous contributions to society by toiling like gardeners tending their saplings. On behalf of the party Central Committee and the State Council, I pay tribute and extend cordial regards to the comrades who are at the seminar today and, through you, to teachers, Young Pioneers' instructors, social educational workers, and other comrades who are concerned about, engaged in, and support children's education. I would also like to take this opportunity to extend holiday greetings to Young Pioneers and all our little friends throughout the country.

China is in the midst of a new historical era of reform and development; we are living in a world where science and technology keep changing with each passing day, and we are confronted with the two great strategic tasks of defending world peace and developing our economy. China is a developing nation with a population of 1 billion, and its economy is developing very unevenly. It will need the efforts of a few generations to really make it strong and prosperous and to advance it to the level of the world's developed countries economically, scientifically, and culturally. Therefore, our children's educational work is a task of far-reaching significance because it is not only geared to the modernization drive but also to the world and the future. As you know, to train competent personnel we must begin with children. Education for children is the foundation of improving the cultural quality of the nation. The Decision of the CPC Central Committee on Reforming the Educational Structure and the law of the People's Republic of China on Compulsory Education were drawn up with the fundamental goal of raising the cultural quality of the nation and training qualified personnel for our country. In socialist China, superiority of the socialist system should be embodied not only in the highly developed productive forces but also in the bringing up and molding of an entirely new generation. In cultivating a new generation of people, we must pay attention not only to intellectual development but also to communist ideals, morality, concept of discipline and democracy, and correct attitude toward work. Therefore, to enable children to receive a moral, intellectual, physical, and aesthetic education is the fundamental task of the socialist education cause. The Chinese nation is undergoing a new period of rapid development. Under the leadership of the party, the masses of people are enthusiastically working for socialist modernization and building their future with increased confidence. This style of the times, a style marked by vigorous advancement, will have a profound influence on our children. As members of the new generation, they will live in an environment where there are political stability and unity and good living conditions and good opportunities for education. Moreover, social practice in building a material and a spiritual civilization has provided them with a broad avenue for increasing and developing their wisdom and talent. With many virtues and strong points, the children of this generation will become a new type of educated workers possessing specialized knowledge, among whom group after group of scientists, entrepreneurs, writers, artists, and outstanding social workers will emerge. They are a promising generation. Of course, the new generation is bound to encounter new problems. The increase in the number of "only children" in society creates some difficulties in bringing up the next generation. Generally speaking, the only child will receive better care from his family and from society both in living conditions and in school enrollment. This is the good side of it. On the other hand, the only child may be spoiled by his parents and family.

At the same time, unhealthy tendencies in society may adversely influence some children's ideology and behavior. If parents show no concern for the collective and for other people and despise labor, they may eventually encourage young people to commit crimes. This shows that strengthening moral education among children has become an urgent and important task.

The education of children cannot be achieved in a day. There is a saying that "A massive tree grows out of a small sapling, and a tower of nine stories relies on its foundations." Moral education for children must start in their early years, from their parents and family, schools and society. In conducting education on communism among children, we must not adopt the method with which we educate young people and adults. We should adopt methods and steps suitable to the children's age and the level of their intellectual development. We must use a form acceptable and loved by the children. Moral education for children must be included in their school lessons, in their daily life and amusements. What merits our attention is the fact that, in carrying out education among our children, there still exist rigid and outmoded practices which have not been corrected. Experience proves these practices are ineffective. Sometimes, they will create adverse effects and fail to achieve the goals of moral education. Moral education for children should let them gain respect for their nation and pride in their patriotism, and also train them to acquire the sense of collectivism; to foster, from childhood, the good thinking of serving other people, the collective, and the masses; to love labor, respect the working people, and cherish the fruits of hard work; to fear no difficulties, show willingness to learn, boldly create innovation, demonstrate determination, and pay attention to efficiency, and display good moral qualities and style of work in treating people with sincerity and frankness, attaching importance to friendship and keeping one's word. All primary, high schools, and kindergartens must put moral education on the same level as intellectual education and physical training, and pay it full attention. It is quite wrong for some primary and middle schools to focus only the proportion of pupils entering schools of a higher grade. Such practice is harmful to the children's overall physical and intellectual development. The leadership of the educational departments and schools at all levels must adopt effective measures to correct such an erroneous trend.

In the course of strengthening moral education for children, we must pay full attention to bringing into full play the role of the Young Pioneers' organizations. Children are fond of joining their own organizations. Such organizations have their unique organizational form and activities. They have played a role which cannot be replaced by school education. The aim, task and essence of education in the Young Pioneers' organizations are imbued with the distinctive nature of communist education. Through their own organizations, children are able to learn to teach and guide themselves, and establish their capabilities to think and create novelty in the course of developing their activities. The experience of the Young Pioneers' organizations have proven that moral education is strengthened wherever the work of the Young Pioneers' organizations is active. Therefore, we must regard these organizations as good supplement to the schools, and earnestly support and lead them.

The broad masses of workers among children shoulder the heavy responsibility of bringing up the new generation of the motherland. You have made great contributions to society and to the people under fairly difficult conditions. You deserve the people's trust and society's respect.

Your work may not win as much fame as other people, your remuneration may not be very high, and your living and learning conditions may not be ideal. However, your work is what our society needs, and your responsibility is heavy. Therefore, your job is glorious. It is hoped that you will all work hard, with unshakable courage and determination, overcome the difficulties on your road of advance, and be resolved to become outstanding workers among children.

To carry out overall reform is currently a major event of the utmost importance in China, and the focus of the Seventh 5-Year Plan. In the course of gradually reforming our economic, scientific, technological, and educational system we shall face many new situations. Therefore, it is necessary for our workers among children to conscientiously study the various principles and policies of the party, understand progress in promoting reforms, and actively participate in various reforms. Only by doing so will it be possible for us to provide correct answers to the various questions raised by children in face of actual life, and to guide them to correctly understand things. Otherwise, moral education might become a matter of formality. People will not understand what moral education for children is aimed at, and what we say will not be very convincing.

Children are good at imitating others. They can be greatly influenced by their educators. Whatever educators say and do exerts a subtle influence on them. It is precisely for this reason that children's educations must strengthen their self-cultivation, continually improve their own ideological and moral qualities, use their sublime ideals to help children develop their own ideals, their noble sentiments to help children temper their temperament, and their lofty spirit to help children cultivate their minds. Today's children, thirsting for knowledge and troubled by curiosity, like to question and think. In face of this situation, educational workers among children must study hard and broaden their knowledge. Only by continually improving themselves will it be possible for them to teach children fresh knowledge.

To bring up a new generation is a major event for all society. All sectors of society need to exert their own efforts and perform their own responsibilities. The whole party, the entire society, and all the people must form one concept. That is, to serve children means to serve the future of the motherland. All comrades must consciously love children, take them into consideration at all times, and wholeheartedly serve them. In this regard, many old comrades have already set us a good example. After retirement, they still show great concern for children, educate them with rousing enthusiasm, fear no hardship, and offer their remaining years to cultivating the new generation. Their foresight and dedication should be brought into full play throughout society. People in the fields of literature, art, film-making and television, journalism, broadcasting, and publication must regard their activities to promote the healthy growth of children as their own responsibility, and try a thousand and one ways to provide children with more, and better, intellectual products. It is my belief that, as long as schools, Young Pioneers' organizations, and all sectors of society pool their efforts, the quality of China's new generation and the whole Chinese nation will certainly be improved, and the new generation of people imbued with lofty ideals and creativity will definitely thrive.



EDUCATION COMMISSION STRESSES PRE-SCHOOL EDUCATION

HK280438 Beijing CHINA DAILY in English 28 May 86 p 1

[By staff reporter Xu Yuanchao]

[Text] Pre-school classes for children, organized by primary schools, are emerging as a major solution to the lack of kindergartens in rural areas, according to the State Education Commission.

A circular to be issued in June by the commission urges education departments nationwide to pay more attention to pre-school education.

According to the circular, classes are being offered for the year before children enter primary schools. Last year, 14 million children attended such classes, some 41 percent of the number in kindergartens.. In rural areas, the number attending the classes was 53 percent of those in kindergartens.

Children in the pre-school classes have at least two hours of outdoor activities, including an hour of physical training.

Children will be encouraged to be independent, hard-working and to care for each other, said the circular.

All children, including those of minority nationality, must learn putonghua (standard Chinese) and simple arithmetic.

in rural areas, the pre-school classes had solved the problem of some children being unable to enter kindergartens, an official of the State Education Commission said.

Beijing's Vice-Mayor Chen Haosu said in an interview with CHINA DAILY that improvement of pre-school education was an arduous task ahead for the municipal government.

According to Chen, Beijing has 5,010 nurseries and kindergartens which cater for 370,000 of Beijing's 930,000 pre-school children.

In city areas 61 percent of children find places in nurseries and kindergartens, but in rural areas only 20 percent attend.

Chen said plans to build kindergartens in new apartment complexes had not been carried out, the space allotted often being occupied by such facilities as hotels and restaurants.

About 10 percent of nurseries and kindergartens in the city are run by the municipal government and 70 percent by ministries, organizations, and enterprises.

More qualified staff are to be assigned to nurseries and kindergartens, said Chen.

Meanwhile, a forum of childcare workers in Beijing on Monday to mark the coming Children's day, Vice-Premier Li Peng said: "The education of children is the foundation in improving the cultural quality of the people."

He said that as China's "only children" grew up, the chances of them becoming "spoilt" were high. So moral education had become an urgent task, he added.

He said moral education should teach respect for the nation, a sense of collectivism and a love of labour. Li said the work should begin in children's early years and be undertaken by family, schools, and society.



He called on all primary and high schools and kindergartens to put moral education on the same footing as intellectual and physical training, saying it was quite wrong for schools to focus only on the proportion of their pupils entering high schools. A child should progress in every field, he added.

#### CHEN PIXIAN AND PROMOTING COMPULSORY EDUCATION

OW280559 Beijing XINHUA Domestic Service in Chinese 1410 GMT 27 May 86

[By reporter Hua Guiqin]

[Text] Nanchang, 27 May (XINHUA) -- When inspecting Jiangxi recently, Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing committee, stressed that at present, the standing committees of the people's congresses, governments, and education departments in all localities should seriously enforce the "law on compulsory education of the People's Republic of China" with the greatest zeal and by doing down-to-earth work.

Yesterday morning, Chen Pixian met with leading members of the Standing Committee of the Jiangxi Provincial People's Congress and its subordinate special commissions. He said: The tasks now before the standing committees of the people's congresses at all levels and the governments and education departments in all localities are" 1) to publicize with the greatest zeal the law on compulsory education so as to make it known to everyone and create a nationwide atmosphere of attaching importance to the popularization of this education, and 2) to do down-to-earth work to actually enforce the law on compulsory education. The standing committees of the people's congresses at all levels should supervise the enforcement of this law. In addition, Comrade Chen Pixian suggested that the standing committees of the people's congresses at all levels should organize work teams to investigate and study the number of schools in a locality, the number of teachers and their level of proficiency as well as such questions as difficulties expected to be encountered in enforcing the law on compulsory education. He added, investigation reports containing data and analyses and suggesting measures should be written to be used by the party committees and governments concerned as a basis for enforcing the law on compulsory education.

#### ZHANG AIPING, OTHERS WATCH CHILDREN'S PERFORMANCE

OW271052 Beijing XINHUA Domestic Service in Chinese 1527 GMT 26 May 86

[By reporter Gi Hanxiao]

[Summary] Beijing, 26 May (XINHUA) -- Members of the Air Force's Blue Sky Children's Art Troupe today revealed Chinese children's lofty ambitions and ideals in a song and dance performance entitled "Fly to the Future" they staged at the CPPCC national Committee auditorium.

"On 24 May, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, wrote a letter to the troupe's young performers greeting the success of their show and urging them to treasure their good learning conditions and lay a good foundation so that they contribute to socialist material and spiritual construction when they grow up.

"Zhang Aiping, Kang Keqing, Gan Changzho, Zhou Peiyuan, and Lei Jieqiong watched the children's performance with great interest."

'GIST' OF PENG ZHEN 1981 SPEECH ON CIVIL CODE

HK230203 Beijing RENMIN RIBAO in Chinese 15 May 86 p 4

["Gist of Speech by Peng Zhen at 27 May 1981 Forum on Civil Code"]

[Text] The drafting of the civil code has not taken long, but has achieved substantial results. The second draft has come out. On the basis of this, we can widely solicit opinions and exchange views. A problem raised is the beginning of its solution. For example, some comrades say that the civil code draft does not tell much about "three matters of agriculture" (the countryside, farming, and the peasant). With this problem raised, we can pay attention to its solution.

The current forum is attended by more than 20 judicial workers, responsible comrades of various departments, comrades specializing in the science of law and other fields. This is highly necessary. The drawback is a reduced number of comrades in charge of rural work present. The next forum must be attended by more comrades with actual work experience in various fields.

I have scanned some bulletins on the forum. Without the benefit of investigation and study, I give here several views for comrades' reference.

1. Legislation Must Be Based on the Actual Conditions of China With An Eye to Contemporary and Historical Realities in Investigation and Study

Our civil code is the civil code of the People's Republic of China and not that of the Soviet Union and Eastern Europe nor that of Britain and the United States, the Continent or Japan. Where does our civil code come from? It must come from China's realities.

First, we must proceed from actual conditions in China's real life. This provides the basis for legislation. Realities are quite complicated. Now we are not only in the historical transition period of socialist society but also in the transition period of major readjustment. Conditions in political, economic, cultural and other fields are changing. We are facing a host of new problems, many of them of a fundamental nature. As far as existing problems are concerned, the economic system is in the process of readjustment and reform. Many experimental enterprises are gaining experience. The production responsibility system of linking remuneration with output is being tried out by communes and brigades in the countryside. There is also the problem of separation or non-separation of government administration and commune management, and other problems. All these call for investigation and study. When it comes to legislation, our experiences are still not ripe enough where many problems are concerned. The economic relations among various units under the system of collective ownership, and individually operated units and individuals represent the basis for the civil code. Many matters involving agriculture, industry, commerce and the service trade are in a groping stage. This makes it difficult to introduce the civil code. After the fundamental completion of the socialist transformation of the system of ownership of the means of production, how should we make the transition to communism? There is not now one country with an overall experience that can be used as a model to bring success.

Nor do we have an overall systematic way to bring about a solution. On some problems, experiences may be borrowed from the Soviet Union and other countries. But it is impossible to find a perfect answer that can bring about the fundamental solution of our problems. To solve these problems, we must look into our country's actual conditions, discover the kind of problems existing and study ways to bring about a gradual solution. Also, in our approach to relations in many civil cases, such as inheritance, dividing up family property, and so forth, we must pay attention to customs and traditional practices among the masses. The Kuomintang had a civil code, but it probably also did not have much effect on the countryside. Customs were still followed there and things were mostly done according to traditional practices. The so-called "Confucian or feudal ethical code" embodies many customs and practices of the masses. It is also part of the civil code. Therefore, we must not treat customs and traditions among the masses lightly and must pay proper attention to investigation and study. Given neglect, it would be difficult to get things done, especially in the countryside. Of course, we must make a concrete analysis of customs and traditional practices from the proletarian stand and from the stand of the interests of the largest number of people, throwing away the backward stuff and absorbing what is good and useful. In sum, only by proceeding from the actual conditions of our country and acting according to the principles of the socialist legal system in working out our civil code can we do things in a smooth way. If it is asked what is the mother of the civil code, as far as the legal system itself is concerned, the mother, in the final analysis, is the realities of China and a population of 1 billion in a land of 9.6 million square kilometers.

In studying problems, we cannot separate legislation from history. We are the offspring of our parents, who in turn are the offspring of our paternal and maternal grandfathers and grandmothers. All of us have a history. Historically, our country has not been without a civil code. Customs and practice actually have in them many components of the civil code, or what is called common law. The civil code must take real-life economic relations as its basis. On the other hand, law itself has its own history of development and its own system. In drafting the civil code, apart from studying social economic relations in real life, we must pay attention to realities in our country's history and the history of our civil code, and critically absorb what is useful therein.

We must also study the civil code of foreign countries. The capitalist civil code is more advanced than its feudalist counterpart. The socialist civil code is more advanced than its capitalist counterpart and has fundamental differences. The civil codes of the Soviet Union and East European countries, and the civil codes of socialist states -- all of them must be studied. They embody lots of experience that can be borrowed by us. All that is good and useful to use must be absorbed.

## 2. We Must Seriously Consider Different Views of Various Kinds

In carrying out investigations and studies, we must listen to the views of cadres, workers, peasants, experts, intellectuals and various other quarters. In soliciting opinions, there is likely to be a lot of debate. Some views are at odds and even diametrically opposed. Current and past views differ. Views vary between town and country and between workers and peasants. Among commune members, cadres, intellectuals and experts, different views are held.

Things are developing amidst contradictions. We must welcome differing views and properly listen to and seriously consider different views. The more different views the better. Different views allow comparison and assessment and make for the better handling of the civil code. We must not consider ourselves always in the right and must seek truth from facts. We must never think that our own view, right or wrong, cannot be changed. This is not the Marxist attitude. We must not be fixed in our way of thinking. We must do things according to reality, uphold the truth and be ever ready to rectify mistakes, in order to bring our awareness relatively in line with reality. To do away with fixed ideas, we must widely collect views. Law must be obeyed by a population of 1 billion. In formulating the law, only by setting forth contradictions, problems and views in all quarters, properly studying them, absorbing what is correct and dropping what is wrong, and concentrating correct views can we make the law relatively compatible with reality and practice.

Another thing I want to say is that we tend to let anything said during discussions in the process of legislation count. It should be like this: What is correct counts. What is incorrect does not count. What is approved by everyone counts. What is approved by everyone but not approved by the NPC also cannot count. We must encourage everyone to voice different views and dare to speak out, so that the law formulated by us can avoid or show fewer mistakes.

### 3. The formulation of the Civil Code and Special Laws Can Proceed at the Same Time

The civil code is not what can be formulated in a short time. This is not a matter of our not doing our best. The problem itself is very complicated. In addition, the system is undergoing a reform, which in itself is a matter not yet completely solved. So we are encountering actual difficulties. Therefore, we must work on the civil code on the one hand, and on the other hand, get involved with special laws. Work on the civil code and special laws can proceed at the same time. Various departments can work on special laws and can also first work out relevant rules and systems or other administrative laws and regulations. They can also first submit the relatively ripe portions in the draft civil code for deliberation and promulgation as special laws and regulations. Special laws can be handled with relative ease and are relatively flexible. They can be changed with greater ease where there are mistakes. The civil code must be treated with relatively great prudence. It is not good to change it shortly after its formulation. We can first get involved with special laws. When such laws have ripened, they can be further incorporated in the civil code. The criminal code has gone through more than 30 drafts. The civil code will not necessarily go through so many drafts. But we must be prepared to work out several more drafts. We must be keen in our work, but must refrain from being rash and doing things perfunctorily. We must pay serious attention to investigation and study. We must put down only what has become ripe and not incorporate what is not ripe. What is incorporated is not necessarily perfect, as it can later be supplemented.

After revision on the basis of the views put forth at this forum, this draft can be passed on the lower levels, in order to solicit more views.



It can also serve as reference to the court in handling cases. What is considered by the court as compatible with reality can be used as a guide. What is considered incompatible with reality can be pointed out to be revised. Major, moderate and minor revisions can be made.

Comrades have asked me to speak. As I have not made a systematic study, I actually do not have much to say. I have given the above impromptu views for the reference of comrades.

PENG ZHEN COMMENTS ON DRAFT CIVIL CODE

HK230155 Beijing RENMIN RIBAO in Chinese 15 May 86 p 4

["Gist of Speech by Peng Zhen at National Forum on 'the General Principles of Civil Code (Draft)' held on 4 December 1985"]

[Text] The current forum is called at my proposal with previous consultation with the leading member of the Central Committee and the approval of the meeting for NPC chairman and vice chairmen. In drawing up the 1954 Constitution and the new 1982 Constitution, a wide variety of experts and workers having genuine talent and rich experiences were invited to participate in repeated discussions and revisions. In the current forum, many experts and practical workers throughout the nation have also been invited to discuss and to revise the Draft Civil Code General Principles. This is a very good organizational form in law-making by linking actual conditions with democratic centralism. It should be adopted continuously from now on. I would like to talk about two issues:

1. Linking Theory With Practice

Inviting the participation of specialists and actual workers in drawing up important laws is not simply a technical question. Our comrades engaged in practical work have rich experiences in practice, but they are busy with their day-to-day work, and most of them do not have time to study theory well. But most of the comrades engaged in theoretical study have little contact with the realities of life. Therefore, theory and practice have not been well linked. This is a basic shortcoming in our work. It is precisely because of this basic shortcoming that Comrade Deng Xiaoping proposed the new requirement on cadres of studying Marxist theory at the national party congress for representatives. During the Yanan rectification campaign, cadres' study of Marxist theory was linked with China's revolutionary practice, with a lot of problems solved. Theory is derived from practice, and is to be tested by social practice; otherwise, it will be very difficult to become a theoretical authority. Mao Zedong Thought is the thinking which links the universal truth of Marxism-Leninism with China's revolutionary practice. Some people proposed naming this doctrine Maoism, but Chairman Mao would not agree to it. Then Mao Zedong Thought was proposed, and he said, if all of you are for naming the thinking which links the universal truth of Marxism-Leninism-Mao Zedong Thought, with my name as the representatives, I will accept it; but I must declare that this is the collective offspring of the Chinese revolution, and the ideological crystalization of the common efforts of many comrades. It does not belong to me personally. During the "Great Cultural Revolution," Lin Biao said "every sentence of Chairman Mao's words is truth," and Chairman Mao's words were the supreme instruction.

That did not conform to facts, neither Marxism-Leninism nor the party's principle of democratic centralism. That was a basic distortion of Mao Zedong Thought.

Likewise, theory must be linked with practice in legislative work. Comrades engaged in practical work of judicature and legislature today have rich experiences in practice, but most of them have not spent enough time on theoretical study, when most of the comrades engaged in teaching or theoretical research in law schools or scientific research departments are not quite familiar with the actual conditions. What are we to do about it? Inviting the participation of experts in all fields and comrades engaged in practical work in joint discussion, deliberation and revision in the course of drawing up laws may link theory and practice closely and help mend the shortcomings in this respect.

Legislature should start from China's actual conditions, solving China's practical problems. The Civil Code General Principles are set up to solve some common problems in civil law. Ours is a socialist country. Socialist public ownership is the foundation of the socialist economic system; however, three categories of economy still exist. Commodity exchange and a market are needed between different categories of economy, in different economies themselves as well as between the consumers and producers. In addition, the complicated human relations in social life all have need for a civil law. Back in 1954, the NPC Standing Committee General Office formally began the work of drafting the civil law, and the Committee for the Legal System under the NPC Standing Committee organized a civil code drafting panel in 1979. It is really not easy to work out a statute of the civil code. China's civil law should start from China's actual conditions and solve China's practical problems. It is impossible to work out a complete and perfect civil code because some problems have not been raised in practice, or have been raised, but the whole picture is not clear and we lack mature experiences to solve them. That is why when working out a civil code we are drawing up separate decrees. With the development of history and the accumulation of experiences, the law will be developed and gradually made complete and perfect. It takes a very long historical period to realize communism. The law will gradually become complete and perfect during this period. The task is heavy and our responsibilities are heavy.

Law is a branch of science which has its own system, vertical as well as horizontal, and it especially cannot run counter to the constitution. Legislative work should have systematic theoretical guidance. We should refer to foreign experiences, whether they belong to socialist countries or capitalist countries, whether they are of the British or the American legal system or the European continental legal system; we should refer to China's historical experiences as well. However, we should absorb what is helpful and good to our legislative work today by discarding the dross and selecting the essence, based on China's actual conditions.

## 2. A High Level of Centralism on the Basis of a High Level of Democracy

A high level of democracy and a high level of centralism are a dialectical unity. Ours is a socialist country; a high level of socialist democracy and centralism can be implemented in China because socialist transformation of the private ownership of production has already been completed in China, and the exploitive system has already been eliminated; the basic interests of all nationalities in China are unanimous; the working class will thoroughly emancipate itself only when all mankind is emancipated. Therefore, its vanguard, the Communist Party has no particular interests of its own aside from serving the people wholeheartedly. This is the basis of our high level of democracy and centralism. Likewise, our legislative work must also implement a high level of democracy and centralism. The genuine unanimity in opinions of the majority and a high level of centralism are possible only on the basis of a high level of democracy. Our laws are to be consciously and actively observed and implemented mainly by the cadres and the people; if the unanimity in opinions of the majority is acquired in drawing up the laws, their implementation will be smooth and easier.

Of course there will still be contradictions of all sorts between people even when their basic interests are unanimous. It is precisely for relevant legislature to draw a demarcation line between these contradictions as a criterion for their rational solution. What criteria should be used in drawing the demarcation line? Those contradictions between units and individuals in social and economic life should be solved under the premise that the basic interests of the people of all nationalities and the constitution should not be countered. It will not be easy to draw that line; therefore we should be very solemn and careful in making laws, namely, it is necessary to listen to the opinions of all departments, giving them repeated consideration, to centralize correct opinions, to project potential problems in implementation, and to pay continuous attention to the test of social practice.

Democratic centralism is China's political system, and the mass line is our basic line. It is necessary to adhere to the system of democratic centralism and to realize a high level of centralism on the basis of a high level of democracy in the work of the NPC Standing Committee and the course of drawing up the laws. We should adhere to the mass line, and the principle "from the masses, to the masses," and make repeated testing through practice. We should not only centralize the opinions of NPC members and delegates, but also listen to, reflect and centralize the opinions of the masses as well as specialists and practical workers of all fields. It was the same case with the constitution. The Central Committee has discussed it successively on eight occasions, and the constitution revising committee had discussed and revised every article of it on numerous occasions, but when it was finally submitted to the NPC for their examination and discussion, again many places had been revised. Because democracy had been given play on a wide scale, a high level of centralism was accomplished; with 3,040 delegates taking part in a secret ballot, less than one per thousand abstained from voting, the rest were all affirmative votes. The civil code general principles is an important basic law; I hope you will all air your views fully and freely, study it seriously and discuss and revise it scientifically. And your suggestions on additions, deletions, and rewriting will be seriously studied and considered. I believe, so doing will make the civil code general principles more practical, thorough, and compact.

The above suggestions are for your reference only.

RENMIN RIBAO ON GEZHOUBA RESULTS, EXPERIENCE

HK260739 Beijing RENMIN RIBAO in Chinese 19 May 86 p 2

[Article by staff reporter Ai Feng: "Enlightenment Gained From the Gezhouba Water Conservancy Projects"]

[Excerpts] Economic Results of the Gezhouba Projects

The heart-stirring scene of holding back the water in a part of Chang Jiang on 4 January 1981 still remains fresh in the memory of many people. But what attracts more attention are the economic results produced by the Gezhouba projects over the past few years. Take generating electricity for example. One generating unit generated 225 million kilowatt hours in 1981. Four generating units generated 3.27 billion kilowatt hours in 1982. Seven generating units generated 6.08 billion kilowatt hours in 1983, 7.08 billion kilowatt hours in 1984, and 7.28 billion kilowatt hours in 1985.

Electric energy production totaled some 23.9 billion kilowatt hours during the 5 years. Calculated at 6.5 fen per kilowatt hour, the total output value was 1.558 yuan.

Arising Amid Controversy

Reading a press report on Gezhouba, an inexperienced reader may not pay enough heed to the sentence, "it is an important component of the Sanxia projects." In fact, this is the key to understanding the Gezhouba projects. Gezhouba was a "Cheng Yanjin" who appeared in the middle of the Sanxia projects.

It is public knowledge that there is a river called Chang Jiang in China and that Sanxia, a rare treasure house in the world, is situated in a part of it. At the beginning of this treasure house. In his "General Plan for Building the Country" published in 1921, Dr Sun Yat-sen suggested "building a barrier across the river to dam up the water so that ships can sail upstream and the water resources be exploited." In 1932, Chinese electrical engineer Yun Zhen, hydropower engineer Cao Ruizhi, and water conservancy engineer Zong Xishang worked out a plan to exploit it. In 1944, (Savage) [sa fan qi 5646 0416 1142], chief engineer of the U.S. Bureau for Land Reclamation, came to Sanxia on invitation for a survey. He proposed a plan to build a dam in Najinguan, which is near Yichang. In the post-liberation year of 1954, big floods broke out in the middle and lower reaches of Chang Jiang, which prompted the central authorities to resolve to build the Sanxia projects. In 1956, Comrade Mao Zedong wrote the following poem vividly depicting this idea: "Walls of stone will stand upstream to the west, to hold back Wu Shan's clouds and rain, till a smooth lake rises in the narrow gorges." at that time, Soviet specialists were invited to help China prove the correctness of its plan for the Sanxia projects.

Until this time, no one thought of or suggested building the Gezhouba projects.



From 1955 to 1959, a long-winded argument took place on the selection of the site for building the Sanxia dam. Soviet specialists were inclined to agree with (Savange)'s plan, thinking that since he was a world-famous engineer, his plan was difficult to negate.

This of course was an academic argument expressing responsibility for the projects. Those who took part in the argument debated with each other, enlightened each other, and corrected each other. During the argument, a new idea cropped up: To build a reverse regulatory reservoir in Gezhouba in order to coordinate with the Sanxia project.

#### Good at Making Conclusions

Their original idea was to build the Sanxia projects first and then start with Gezhouba. But under the special conditions during the "Great Cultural Revolution," the Gezhouba projects started in December 1970 ahead of Sanxia. This was like pushing an unprepared stand-in onstage due to a change in script. Naturally, he found it very difficult to perform. While approving construction of the Gezhouba projects, Premier Zhou Enlai instructed that the projects be taken as "on-the-spot preparations" for the future Sanxia projects. Today, the CPC Central Committee and the State Council have adopted a prudent policy toward the Sanxia projects, which are being planned, and have demanded that careful preparations be made and economic and technical deliberations be provided. Now, the main part of this "stand-in's" "lines" people will hear may be this: It is necessary to confirm the achievements in the on-the-spot preparations and to profoundly sum up the experience in the on-the-spot preparations, and everyone is required to use his brain to "contribute all sorts of ideas" with the aim of providing more people better knowledge of the Gezhouba projects. In this respect, there is no substitute for Gezhouba.

#### YOUTH ATTENDING CHURCH 'CAUSING DEEP THOUGHTS'

HK230024 Beijing WENZHAI BAO in Chinese No 312, 15 May 86 p 3

[Summary of article in NAN FENG CHUANG, NO 4: "A Question Causing Deep thought"]

[Text] There are six Christian churches in Guangzhou. Of the 500 members baptized in recent years, half are young people and teenagers. A greater number of people who are not yet believers have shown interest in Christianity. A young worker says that he chanced to drop in a church just to watch the goings-on there, when "all of a sudden, I found myself deeply moved. The priest spoke with absorbing interest, doing a much better job than the party secretary of our factory." Guangzhou No 24 Middle School happens to be a close neighbor of Xiantang church. The students often go to the church just to watch the goings-on after school. They say they "don't know why the sermons of the priest are more acceptable than the counsel of our class instructors and principal." A college girl made this straightforward remark: I have seen too many things faked and heard too many lies over the past 10 years and more. My soul seems to be purified and pacified by going to church.

These phenomena demonstrate that the party's policies on religion are implemented and protected; however, they also pose a question to parents, teachers, factory directors...those who are engaged in ideological education: Life has challenged you to a new battle!

RADIO LECTURE ON COUNTERREVOLUTIONARY CRIME

OW290357 Beijing Domestic Service in Mandarin 0245 GMT 28 May 86

[From the "Legal System" program: "Common Knowledge on Criminal Law, No 63: What Is Counterrevolutionary Sabotage Law?"]

[Excerpts] Such was the case. On 12 September 1984 in the lobby of a railway station in a southern Chinese city, a passenger suddenly screamed "bomb, bomb" when he saw smoke coming from a blasting fuse in a handbag. All the passengers were shocked when they heard the scream, and then all of them started to run out of the railway station. There was a great panic.

A few seconds later the bomb exploded with a deafening roar. This was a vicious sabotage case. Two days later, criminal (Zhang Haisheng): You better explain why you ignited this bomb. Lifting his pale face, (Zhang Haisheng) said disjointedly: after I was demobilized from the Army, I started to work in a factory. I often stayed away from work for long periods, without leave because the work in the factory was hard, while my pay was low. Later, I was dismissed by the factory. After that I engaged in smuggling and began to peddle smuggled goods. I was caught smuggling. I had to pay a fine, while my smuggled goods were confiscated. Later, the public security organs were investigating me because I was involved in scuffles and robberies. At first, I was disappointed with society. Then, gradually my disappointment became hatred. I hated this society, and I wanted to take my revenge on the whole society through a bombing.

Listeners, from (Zhang Haisheng's) case, we can see that this case has the two main characteristics of the counterrevolutionary sabotage crime. 1.) The perpetrator objectively carried out counterrevolutionary sabotage activities. (Zhang Haisheng's) use of a bomb to destroy the railway station was a kind of counterrevolutionary sabotage act. His act was aimed at undermining the basic interests of the socialist nation of the people's democratic dictatorship and the basic interests of the people. 2.) The perpetrator subjectively proceeded from a counterrevolutionary motive. This counterrevolutionary sabotage crime is not only an intentionally committed crime, it must also have a counterrevolutionary motive. This is an important special feature of the counterrevolutionary sabotage crime. This is the demarcation line distinguishing a counterrevolutionary sabotage crime from an ordinary sabotage crime. An ordinary sabotage crime is subjectively aimed at taking personal revenge, shifting blame onto others, covering up criminal activities, and achieving personal gain. However, a counterrevolutionary sabotage crime is subjectively aimed at overthrowing the state of the people's democratic dictatorship as well as the socialist system.

Criminal (Zhang Haisheng's) bombing of the railway station inflicted a bad political influence on the country. On the basis of Article 100, Section 1; Article 103, and Article 53, Section 1 of the Criminal Law, the Intermediate People's Court of a certain city sentenced (Zhang Haisheng) to death and deprived him of his political rights for life.

RADIO LECTURE DESCRIBES CASE OF SPYING

OW241053 Beijing Domestic Service in Mandarin 0245 GMT 23 May 86

[Excerpts] Listeners, we now broadcast the 59th lecture on general knowledge of the criminal law: What is the crime of spying?

A silvery airliner on an international flight slowly landed at the international airport of a big city of our country. A pretty young woman came out of the cabin and deplaned along with other passengers. As soon as she stepped down from the ramp, she was handcuffed and taken away. She was a woman by the name of (Ji) who went abroad to study and joined the enemy's secret service. In 1980, by using her father's power and connections, she went to Japan to further her studies. While in Japan she was affected by vanity: She sought ease and comfort and was very fond of socializing, but failed to devote herself to study.

The enemy's secret service organ soon noticed the woman by the name of (Ji), who was living a dissolute life. Lured by money, she sold her soul by joining the secret service organ. In a matter of a few years she used her personal appeal and the social connections of her high-ranking cadre family to collect a lot of domestic political and economic intelligence for the enemy's secret service organ through personnel abroad and her relatives and friends at home. As a result, she was in her superior's good graces. To make full use of her, the enemy's secret service organ dispatched her back. Little did she expect that she would be arrested according to the law the moment she stepped on the soil of her country. The procuratorial organ instituted proceedings against her, accusing her of spying. The crime of spying refers to stealing, secretly gathering, or providing intelligence for an enemy and taking part in a secret service or accepting a mission assigned by an enemy. Here intelligence refers to more than state secret -- it also refers to all information and data that an enemy can use to sabotage our country.

The above-mentioned woman by the name of (Ji) formally joined the enemy's secret service organ while she was studying abroad, was appointed an intelligence agent holding the rank of captain, supplied the enemy's secret service organ with large amounts of intelligence, and even accepted an assignment to return home for counterrevolutionary activities. She has committed the crime of spying. After a trial the Intermediate People's Court of a certain city sentenced the woman by the name of (Ji) to 15 years' fixed-term imprisonment on the charge of spying, according to the law.

RENMIN RIBAO URGES GRADUATES TO WORK IN NORTHWEST

HK220909 Beijing RENMIN RIBAO in Chinese 17 May 86 p 1

[Commentator's article: "Make Contributions and Do Pioneering Work in Places Where Conditions Are Hardest"]

[Text] Since Comrade Hu Yaobang called on the people to "develop the northwest" in 1983, large numbers of college graduates have "vied with one another to become persons of ideals and to dedicate their youth to the northwest." They have worked diligently there under rather difficult conditions. Some have already made substantial contributions to the development of the northwest. They have also gained much ideologically and have increased their knowledge. We may say that they have taken a firm step to maturity.



As early as in the 1950's and the 1960's when part of Shanghai Jiaotong University moved to Xian, many students already regarded "making contributions to the northwest" as their ideal. With their arduous struggle in the past 20 or 30 years, college graduates from Jiaotong University and other universities who are working in the northwest have become the backbone force on many fronts and some have become senior scientific research workers or technological personnel.

These facts have shown that if young people want to become capable people for the construction of the motherland, they must have the spirit of fearing neither hardship nor difficulties and obstacles. Compared with those in the hinterland and the coastal areas, the conditions for work, study, and daily life in the northwest are poorer and life is tougher. However, difficult circumstance can temper one's will and strengthen one's perseverance in overcoming difficulties. "Carving and polishing increase the value of a piece of jade." This is also true of a person. "All men of great talent have gone through much hardship." None of them has traveled a smooth and straight path. College students of today are relatively young and do not have much experience in life. They have experienced little hardship. Many of them lack a strong will and the stamina to overcome difficulties. This is a weak point. Going to face the world, brave the storm, and temper themselves in places where conditions are hard will greatly benefit the healthy growth of young people.

At present, there are some college students who have the desire to make contributions to the motherland's modernization drive and also have an enterprising spirit, but who are not farsighted. They have given much consideration to their personal aspirations and personal interests, but little consideration to the needs of the country or the interests of the country. They pay much attention to immediate interests but little attention to the long-term interests. They are reluctant to part with big cities or places where conditions are good. They are not willing to go to places where conditions are hard. They often regard the locations of their work more important than the nature of their jobs. They are willing to go to places where conditions are good even if they have to take up work which they are not trained for. In this way, they will fail to turn their desire of dedicating themselves to the modernization drive into concrete actions of doing pioneering work. It does not mean that people cannot become talented in big cities or in places where the conditions are good. However, many college graduates have already poured into these places in the past few years. In the northwest and in other places where conditions are hard, there is a serious shortage of qualified personnel. There, college graduates can give full play to their talents and special skills, accomplish more, and realize their aspirations.

With the work of construction in the past 30 years and more, the conditions in the northwest and in other places have also improved. The conditions there are called difficult conditions only when they are compared with the conditions in other places, but they are actually not so hard as people have imagined. Moreover, as college students of the 1980's, we should have the high aspiration of "serving in any place which needs us." We should participate in fulfilling the country's urgent tasks, think of problems which the people are thinking about, and go all out to serve the country while we are young so that our lives may shine more brilliantly. The time for assigning jobs to college graduates is approaching.



Let all college graduates follow the examples of those graduates in the 1950's and the 1960's, and those of the past few years, go to work in places where the country needs us most, and be determined to become an outstanding youth ready to do pioneering work in a place where conditions are hard!

AI ZHISHENG ON MERGER OFFILM INDUSTRY WITH TV

HK270151 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 4-5

[Article by reporter Yin Jindi: "Make up for Each Other's Deficiencies and Improve Together -- Ai Zhisheng Talks About Combination of Film and Television Work"]

[Excerpts] The merger of China's film industry, which was previously subordinate to the Ministry of Culture, into the Ministry of Broadcast and Television, which was renamed Ministry of Broadcast, Film, and Television, has aroused interest and attention among the people at home and abroad. Why is the merger necessary? What advantages will the merger bring about? Will this effect the quality of the art of film? Recently, this LIAOWANG reporter brought these questions in which people are interested to an interview with Ai Zhisheng, minister of broadcast, film, and television.

Ai Zhisheng warmly received this reporter at his office. After telling him about the purpose of the interview, he smiled and said: It is true that the public is concerned about the merger of the film industry and the Ministry of Broadcast and Television. Some rumors are circulating and there are also some misunderstandings. He said: This is mainly because people do not understand the real situation and the film industry and television are closely related to the general public. It is no wonder that the public has paid much attention to the merger of film and television work.

Ai Zhisheng said: The CPC central leadership and the State Council have studied the merger for a long time, and the plan was put forward last summer. In October, the central leaders in charge discussed this matter with responsible people of the Ministry of Broadcast and Television and the Ministry of Culture. In November, after making investigations and studies and consulting all parties concerned, the central leadership submitted the proposal on setting up the Ministry of Broadcast, Film, and Television to the NPC Standing Committee. In January this year, the NPC Standing Committee adopted a resolution at its 14th meeting on shifting the entire film system from the Ministry of Culture to the Ministry of Broadcast and Television and changing the latter into the Ministry of Broadcasting, Film, and Television.

Ai Zhisheng said: The combination of film work with television work will enable both sides to make use of each other's strong points to offset deficiencies so as to improve together. Ai Zhisheng said the decision on the merger of the film industry and television work was made according to the actual conditions of China's film and television industries, and the merger is also in line with the world's trend in this regard.

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He said merging the film industry with the television industry is a general trend in the world. In the United States, the film industry and the television industry have changed from competitive rivals into collaborators, and this has enabled the film industry to recover from its recession. Some West European countries have also turned the two industries from rivals into partners, and some countries have set up government commissions for broadcast, film, and television.

When talking about the leading bodies of the Ministry of Culture and Film Bureau, Ai Zhisheng pointed out: Those rumors about personnel changes are completely groundless. The resolution of the NPC Standing Committee clearly said that "the film system will be wholly shifted from the jurisdiction of the Ministry of Culture to the jurisdiction of the Ministry of Broadcast and Television, and the Ministry of Broadcast and Television will be changed to the Ministry of Broadcast, Film, and Television." The two armies joined forces to form a new ministry. There is nothing about one side "annexing" the other side.

Ai Zhisheng said: Ding Jiao, former vice minister of culture who takes charge of film work, is now vice minister of broadcast, film, and television and is still in charge of film work. The director of the Film Bureau is still Shi Fangyu. There is not need to reappoint cadres at the lower levels.

Ai Zhisheng said the process of combining film and television work is rather smooth. In January, Minister of Culture Zhu Muzhi briefed me about the situation in the film industry. In February, the film system was formally transferred from the Ministry of Culture to the Ministry of Broadcast and Television. A cadre meeting was held to announce the establishment of the new ministry and to mark the victorious joining of the two armies. At present, the process of combination has been basically completed.

Ai Zhisheng said that the merger does not mean to "restrict." The principle of "letting a hundred flowers bloom and a hundred schools of thought contend" will be carried out continuously in the future, and creative freedom in literature and art will be respected. However, writers' creative freedom cannot be separated from their social responsibility. If a person writes a diary, he has freedom to write whatever he likes to write, because he only writes for himself; but when a person is to publish his works, he must consider his responsibility to society. The greater the audience his works have, the greater responsibility he will bear.

Ai Zhisheng is 57 years old this year. He was born in Hanyang County, Hubei Province. He entered Quinghua University when he was 17. After graduation, he continued to work in the same university and spent 37 years there. Most of the time, he was engaged in CYL work and propaganda work in the school. He was transferred to the State Council in 1983 to be deputy secretary general. He was appointed to be minister of broadcast and television in June 1985.

COUNCILLOR SPEAKS ON INDUSTRIAL SAFETY MEASURES

OW241045 Beijing XINHUA Domestic Service in Chinese 1412 GMT 22 May 86

[By reporter Wu Jincai]

[Excerpts] Beijing, 22 May (XINHUA) -- According to some reports on various measures to strengthen safety in all localities, the situation in terms of industrial injuries, fire disasters, traffic accidents, and explosion incidents is still serious, while the incidence of occupational diseases has still not dropped. All this merits our attention.

As approved by the State Council, the State Commission for Industrial Safety recently organized 6 teams to undertake inspections in 18 provinces, municipalities, and autonomous regions. These teams reported to the State Commission for Industrial Safety on 22 May that enterprises in quite a few places have adopted measures for industrial safety. These teams have also discovered a number of units that are advanced in promoting industrial safety.

After hearing these reports Zhang Jingfu, director of the National Commission and a state councillor, spoke. He pointed out: These teams have played a good role in spurring industrial safety. It is necessary to establish a system of organizing teams for inspection from now on. We must approach the significance of industrial safety from the high plane of promoting socialist material and spiritual civilization and that of democracy and the legal system. Only in this way can the superiority of the socialist system be reflected. Whether a party cadre's party spirit and mass viewpoint are strong or not and whether he works responsibly or not should be judged by looking at how much attention he pays to industrial safety.

Zhang Jingfu calls on all localities to strengthen organization and leadership for industrial safety and disseminate advanced units' good experience. He also points out: It is necessary to use laws, systems, and education to help people strengthen their sense of industrial safety. All departments responsible for industrial safety must conscientiously fulfill their important duty of serving the people and establish a responsibility system for industrial safety.

ADVANCED COMPUTER SYSTEM PASSES DEFENSE APPRAISAL

OW220737 Beijing Domestic Service in Mandarin 1000 GMT 21 May 86

[Text] China's largest advanced computer display and processing system, developed by the University of Defense Science and Technology, passed technological appraisal at the command center of the National Defense Science, Technology and Industry Commission in Beijing on the morning of 21 May.

The system has advanced hardware and adequate software for use in many fields. It has such features as high resolution, wide spectrum and high graphic capability. It can transmit combat situation plots, pictures of a scene, and messages and orders for a modern military command. It can also be used for control, management, and command in many civilian fields.

The system's development reflects an important breakthrough in China's computer display techniques. The scale of the project is second only to the 100-million-operations-per-second "galaxy" electronic computer.

FUJIAN SECRETARY MEETS HONG KONG, MACAO REPORTERS

OW241103 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 22 May 86

[Excerpts] This morning in the Xihu Guesthouse Chen Guangyi, secretary of the Fujian Provincial CPC Committee, met with reporters who had come from Hong Kong and Macao to our province to cover the fifth session of the sixth provincial People's Congress and the fifth session of the fifth provincial CPPCC Committee. Comrade Xiang Nan was present at the meeting.

First of all Comrade Chen Guangyi extended welcome to the friends from the Hong Kong and Macao journalistic circles, who had come to our province to cover the above-mentioned sessions, and thanked them for their previous activities to make others aware of the situation in Fujian. Then he dwelt on several things that concern Hong Kong and Macao.

Referring to the handover of the position to him from Comrade Xiang Nan, the former secretary of the provincial CPC Committee, Chen Guangyi said that it was carried out smoothly, satisfactorily, and normally.

Comrade Chen Guangyi said we have now unequivocally put forward this slogan: We must unite together, promote stability, and explore new ways to advance. In the first place, we must stress the need for unity. Unity means that we must unite with all people, including Overseas Chinese and our compatriots in Hong Kong, Macao, and Taiwan. Only thus can our work be successful. By promoting stability we mean that we must maintain the stability and continuity of our policies. We must have a stable cadre contingent and stable policies and see to it that our people are free from anxieties. With unity and stability, we then put emphasis on exploring new ways to advance.

Chen Guangyi said: At present we must make full use of the excellent situation of opening and reforming and concentrate our efforts in the next 2 or 3 years on solving the problem of poverty and making people better off in old revolutionary base areas, minority-inhabited areas, frontier areas, poverty-stricken areas, and offshore islands. We must speed up the development of the interior of our province and make further efforts to open the coastal areas, and even all of the province, to the outside world.

Chen Guangyi stressed that Fujian must continue to implement the policy of opening to the outside world and enlivening the domestic economy and strengthen its lateral cooperation with our country's hinterland so that both will be able to make good use of their favorable conditions and learn from each other's strong points to offset their shortcomings.

Secretary Chen Guangyi and Comrade Xiang Nan also answered questions asked by the reporters.

FUJIAN: HU PING EMPHASIZES IMPLEMENTING COMPULSORY EDUCATION

OW271416 Fuzhou FUJIAN RIBAO in Chinese 18 May 86 p 1

[Text] Yesterday afternoon, Governor Hu Ping invited deputies of the provincial People's Congress and members of the provincial CPPCC from educational circles to a discussion meeting to hear their opinions on popularization of compulsory education.



Governor Hu Ping spoke at the discussion meeting. He said: "The Compulsory Education Law of the People's Republic of China" has been passed and proclaimed at the Fourth Session of the Sixth National Peoples Congress. This is a major event in the history of China's education. Since 12 provincial People's Congress deputies and 4 provincial CPPCC members attending today's meeting are from the first line of educational front of either kindergarten, primary, or secondary school teachers, we invite you to offer your suggestions on implementation of compulsory education law. The meeting is also to show our concern for hardworking people's teachers and our determination to implement this law.

Governor Hu Ping inquired in detail about the popularization and problems of 9-year compulsory education in the province. Provincial People's Congress deputies and provincial CPPCC members offered many opinions and suggestions at the meeting. Governor Hu Ping said: Not only educational departments, but also the whole society should be concerned with and give support to the implementation of the compulsory education law. Leaders in the party, government at all levels, and educational departments should seriously study and greatly promote the implementation of the compulsory education law. We should exert more efforts to solve the teacher quality problem; educational surtax should be collected in full. All localities should try their best to allocate funds for education.

Attending the discussion meeting were Zhang Yumin and He Shaochuan, Standing Committee members of the provincial CPC Committee; Zhang Gexin, vice chairman of the provincial Advisory Committee; Zeng Ming, vice chairman of the Standing Committee of the provincial People's Congress; and Vice Governor Chen Mingyi.

Those who spoke at the discussion meeting were Liaw Shuzhan of Liyang Primary School, Zhenghe County; Xu Ruishuang of Honglai Central Primary School, Nanan County; Xie Shaomei of Chengguan Middle School, Shaoan County; Chen Aili of No 2 Middle School, Dongshan County; Zhang Shuzhuang of Fuzhou Experimental Primary School; Weng Mujin of Fuzhou Kindergarten; Su Zhonggin of Anxi No 1 Middle School; and Zhang Shimian of Tuorong No 1 Middle School.

#### JIANGSU'S YIZHEN COUNTY BECOMES YIZHEN CITY

OW271226 Nanjing Jiangsu Provincial Services in Mandarin 2200 GMT 26 May 86

[Text] The State Council has approved and agreed to the abolishment of Yizhen County and the establishment of Yizhen City, a county-level city. The administrative area of Yizhen County will be the administrative area of Yizhen City.

#### SHANDONG: LIANG BUTING SPEAKS ON ARMED FORCES TRANSFER

SK240912 Jinan Shandong Provincial Service in Mandarin 2200 GMT 23 May 86

[Text] The work of transferring the People's Armed Forces departments at the county level to local governments is now in full swing in our province. The meeting regarding transferring the People's Armed Forces departments at the county level to local government, sponsored by the provincial CPC Committee, the provincial People's Government, and the provincial military district, concluded in Jinan City on 23 May.

The meeting announced the plan for the transfer work. At the meeting, Liang Buting, secretary of the provincial CPC Committee, on behalf of the committee, delivered a speech, in which he stated: Transferring the People's Armed Forces departments to local governments represents a correct policy decision made by the CPC Central

Committee, the State Council, and the Military Commission under the CPC Central Committee, proceeding from the overall situation of conducting economic construction and building the PLA units. This also represents an important reform in the work system of the People's Armed Forces. He urged all party members and cadres to be broad-minded and highly conscious, to pay attention to the interest of the whole and the revolutionary interest in taking into consideration the work of transferring the People's Armed Forces departments to local governments, and to consciously be subordinate to the necessity of conducting economic construction and building [word indistinct] throughout the country. In conducting the transfer work, the local party committees and governments at all levels and the military organs throughout the province should safeguard the principle of unity and strictly abide by discipline. He urged the military departments to attach importance, as they did before, to the building of the People's Armed Forces departments and to continuously push forward the militia work of rendering reserve services in the province.

At the meeting, Li Jiulong, commander of the Jinan Military Region, delivered a speech, in which he urged the participants to do a good job in studying the documents issued by the central authorities and to further upgrade their understanding and ideological standard in order to offer ways and means to effect the transfer work. Efforts should be made to foster the viewpoint of conducting militia work by integrating the work with economic construction and to do a good job in grasping militia and economic work simultaneously. He urged the participants to unite as one and to do a good job in the transfer work. He urged the cadres in charge of the People's Armed Forces to discern the new situation as soon as possible and to make a new step in the work.

At the meeting, Liu Yide, commander of the provincial military district, also delivered a speech, in which he praised the People's Armed Forces departments throughout the province which had scored most marked achievements in building national defense and the local economy. He extended thanks to the local governments for their support for the transfer work. He urged the People's Armed Forces departments to earnestly do a good job in grasping ideological and educational work and to adequately fulfill the transfer task in a down-to-earth manner.

Also attending the meeting were Gao Wansheng, Standing Committee member of the provincial CPC Committee and political commissar of the provincial military district; Ma Lianli, leader of the leading group in charge of the transfer work and vice governor of the province; and leading comrades from the party, government, and army organs at city and prefectural levels, totaling more than 160 persons.

#### SHANGHAI'S RUI XINGWEN STRESSES IMPORTANCE OF REFORM

OW250941 Shanghai City Service in Mandarin 1000 GMT 24 May 86

[Text] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, delivered a report on the current situation in reform before 1,500 party and administrative cadres of the educational and the public health departments in the Shanghai Medical University auditorium on 24 May. In his report, Comrade Rui Xingwen pointed out: Reform is a profound revolution. It will inevitably involve political, economic, cultural, and other fields, particularly changes in people's thinking and notions. He said: Shanghai's tasks during the Seventh 5-Year Plan are arduous. Fundamentally speaking, accomplishment of the tasks will rely on reforms and opening to the outside world.

SHANGHAI: RUI XINGWEN MEETS POLICY INVESTIGATION GROUP

OW191404 Shanghai City Service in Mandarin 000 GMT 19 May 86

[Text] The Shanghai subgroup of the policy implementation investigation group under the CPPCC National Committee and the CPC Central Committee's United Front Work Department with Pen Youjin, member of the Standing Committee of the CPPCC National Committee, as the subgroup head and led by Yang Chengwu, vice chairman of the CPPCC National Committee, arrived in Shanghai on 13 May. The subgroup's main task is to review how well members of the CPPCC National Committee in Shanghai and the Shanghai Municipal CPPCC Committee have implemented policy.

Over the past few days, the subgroup has separately heard a report on departments concerned regarding the implementation of policy in Shanghai and a report on members of the CPPCC National Committee in Shanghai and the municipal CPPCC Committee regarding the implementation of policy. The subgroup has also invited members of the CPPCC National Committee in Shanghai who are non-party personages to attend discussions and solicited their ideas and suggestions on policy implementation.

On 17 May, Rui Xingwen, Wu Bangguo, Zeng Qinghong, Ni Tianzeng and other leaders of the Shanghai municipal party committee and government called on Vice Chairman Yang Chengwu and all comrades of the subgroup and initially exchanged ideas with them on policy implementation in Shanghai. Currently, investigation work is being gradually deepened.

SHANGHAI'S RUI XINGWEN GREETES ECONOMIC SOCIETY

OW250935 Shanghai City Service in Mandarin 0000 GMT 25 May 86

[Excerpts] The inaugural ceremony for the China Society on Urban Economy was held in Shanghai on 24 May. Wang Daohan, director of the leading group of the full session of the society and adviser to the municipal government, was the first to give a speech. A letter of greeting from Wang Renzhong, vice chairman of the NPC Standing Committee, was read at the meeting.

On behalf of the municipal CPC Committee and government, Comrade Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, extended sincere congratulations to the meeting. He said: The Central Secretariat has approved Shanghai's comprehensive urban development plan. Shanghai should better serve economic construction of the whole nation. It should be built into the largest economic and trade center in the western Pacific.

Rui Xingwen also said: Shanghai belongs to the whole nation. It cannot develop without the support of fraternal provinces and municipalities. We hope that all fraternal provinces and municipalities will offer suggestions on Shanghai's development. We wish to promote cooperation and exchanges with all fraternal cities, and make common progress through establishing lateral economic ties.

More than 300 people attended the meeting, including responsible comrades of the central departments concerned; mayors and vice mayors of large and medium-sized cities of 28 provinces, municipalities, and autonomous regions; leaders in the work of urban construction; as well as experts, professors, and scholars in this field. Zeng Qinghong, member of the Standing Committee of the Shanghai Municipal CPC Committee; Xie Lijuan, vice mayor; and Xu Yifang, vice chairman of the municipal CPPCC Committee, were present at the meeting.

GUANGXI: WEI CHUNSHU SPEAKS ON CORRECTING PARTY STYLE

HK161059 Nanning Guangxi Regional Service in Mandarin 1000 GMT 15 May 86

[Excerpts] This morning, the regional CPC Committee and people's government held a meeting of leading cadres of regional departments, commissions, offices, and bureaus, at which it urged provincial organs to set an example in correcting party style and implementing the Seventh 5-Year Plan. Wei Chunshu, deputy secretary of the regional CPC Committee and chairman of the regional people's government, delivered a speech at the meeting. Comrade Wei Chunshu's speech dealt with two problems: First, grasping the work of correcting party style; and second, grasping the work of implementing the Seventh 5-Year Plan.

In his speech, Comrade Wei Chunshu first relayed the spirit of a speech delivered by Comrade Hu Yaobang at a forum of central organs on correcting party style. He demanded that leading cadres of regional organs, in strict accordance with the arrangements made by the central authorities, resolutely, continuously, and seriously grasp improvement of party style so as to bring about a basic turn for the better in party style as soon as possible.

Comrade Wei Chunshu mainly spoke on how to implement the Seventh 5-Year Plan. He said: To fulfill all tasks set in the Seventh 5-Year Plan, we must resolutely and steadily take the first step and strive to make progress in all work in the region in the first 3 years, especially this year, to make a good start in implementing the Seventh 5-Year Plan. In this connection, an important problem is that we must further arouse the revolutionary spirit of party members, cadres, and the people throughout the region. First of all, leading comrades of all regional organs must set an example for the whole region with their vigorous revolutionary spirit, their strong sense of responsibility, and their good work style.

Wei Chunshu then spoke of two problems: first, unifying people's ideological understanding; and second, several main tasks which must be grasped seriously in implementing the Seventh 5-Year Plan at present.

On unifying people's ideological understanding, Comrade Wei Chunshu said that according to the real situation in the region, we must further unify our understanding of several problems: 1) We must firmly establish the idea that economic construction is our central task. 2) We must have a strong sense of responsibility and urgency. 3) We must have a dauntless fighting spirit.

Comrade Wei Chunshu then spoke of several major tasks which must be firmly grasped in implementing the Seventh 5-Year Plan at present:

1. We must put reform in first place. Comrade Wei Chunshu said that the speed of development of the region's economy depends to a large extent on the success or failure of reforms. There are historical reasons for Guangxi's backward economy, but we have no reason to overemphasize objective difficulties in carrying out reforms. On the contrary, we must do our utmost to carry out reforms faster and better and to seek rapid development in the course of reforms.



2. We must earnestly carry out sectoral planning and implement the target responsibility system. Comrade Wei Chunshu said that we must first grasp some projects and items which need less investment and can yield faster and better results. The stress should be laid on vigorously developing and processing subtropical crops and vigorously developing township enterprises.

3. We must pay attention to exploiting and bringing in talented people. Comrade Wei Chunshu said that to invigorate the region's economy, the key lies in talented people. To solve the problem of shortage of talented people in the region, it is essential to attach importance to training and educating talented people.

4. We must further improve our work style, and establish and perfect the past responsibility system. Comrade Wei Chunshu said that regional leaders must set a good example in improving work style and raising efficiency.

In conclusion, Comrade Wei Chunshu stressed the importance of strengthening the building of grass-roots units.

Today's meeting was presided over by Comrade Jin Baosheng, deputy secretary of the regional CPC Committee. Gan Ku, chairman of the regional People's Congress Standing Committee, attended the meeting.

#### HENAN RIBAO COMMENTATOR'S ARTICLE ON INDUSTRIAL PRODUCTION

HK271550 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 26 May 86

["Excerpts" of 27 May HENAN RIBAO commentator's article: "Utter Less Empty Talk, Do More Practical Work, and Boost Industrial Production as Quickly as Possible"]

[Text] Our province did not ideally complete its industrial production tasks in the first 4 months of this year. Although there were objective reasons, such as shortage of electric supply, floating capital, and raw materials, overstocking of some products, and so on, the most important and crucial thing was insufficient subjective capacity.

Now, some of our leading comrades are only content with holding rallies, issuing calls, and putting forward demands and do not work hard. They have seldom done hard and meticulous work. Although many meetings have been held, problems are not solved. The main reason is that nobody has carried out work in a down-to-earth manner. This work style of uttering empty talk without stressing practical results must be corrected; otherwise, production cannot be boosted.

Regarding the current problems of industrial production, leaders at all levels must not be panic-stricken, impose quotas for production on every level, and do a rush job of production. They must also not lower their guard. They must seriously analyze the situation and, in the light of the new situation and new problems emerging in the course of production, promptly take countermeasures. Leaders of industrial departments at all levels must firmly establish the idea of serving the grass roots and resolutely implement the policies and measures already formulated. Leading cadres must take the lead in going deep into realities and the production forefront to help lower levels solve practical problems and to help enterprises eliminate worries and resolve difficulties. It is necessary to implement the system of leaders assuming responsibility at all levels. They must be responsible for their work and improve the quality and efficiency of work.

While carrying out our work, we must stress the focal point. All prefectures, cities, and industrial departments must study and determine their own key trades, key enterprises, and key products and organize forces to help with the solution of practical difficulties. All trades must assign quotas for the production of marketable products to their lower levels, organize production, and give priority to the supply of electricity and material resources.

The current overstocking of some products is due to changes in the market and to unsalableness but the main reason is the problem of the quality of products. We must work hard in improving management and the quality of products, economizing on electricity, and reducing consumption of materials and costs of production. We must rely on tapping internal potential to raise economic results. In short, so long as we arouse our enthusiasm, improve our work style, practically and realistically analyze the reason, actively seek countermeasures, and solve all specific problems in a down-to-earth manner, our province's industrial production will surely be raised to a new level.

HENAN BEARINGS COMPANY 'AMALGAMATED' ONLY IN NAME

HK240748 Beijing RENMIN RIBAO in Chinese 17 May 86 p 2

[Newsletter by reporter Dong Huanliang: "Why Has This Company Been 'Amalgamated' for a Long Time But Not Functioned as Such? -- on an Investigation of the Luoyang Bearing Industrial Amalgamated Company"]

[Excerpts] The Luoyang Bearings Industrial Amalgamated Company in Henan Province was established in 1980 with the approval of the former No 1 Ministry of Machine Building and the provincial government. The company comprises not only the Luoyang bearings plant, one of China's major large bearings enterprises, but also 23 local bearings plants in the province. Throughout the past 5 years, all enterprises under the company have not been able to organize professional cooperation among themselves and establish internal economic ties. In fact, they have been "amalgamated" only in name and "kneaded together" in reality. That is why they cannot become a real economic entity. How to turn such companies "amalgamated reluctantly" by administrative means into economic entities full of vitality is a glaring problem calling for a solution at the present time when we are promoting lateral economic cooperation. The crux of the problem that all enterprises under the Luoyang bearings company have been "amalgamated" but not functioned as such lies in the system of separating departmental from regional management.

Looking back on the history of the Luoyang bearings company, comrades of the company have come to realize that to develop lateral economic cooperation, it is absolutely necessary to shatter the system of separating departmental from regional management and counteract ill-judged administrative interference, and it is imperative to reorganize the company into an enterprise group with internal economic ties in accordance with the principle of "voluntariness, equality, and mutual benefit."

HUBEI: NORMAL, UNHEALTHY TENDENCIES OF ENTERPRISES NOTED

HK280341 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 25 May 86

[Excerpts] On 22 May, the provincial group for guiding party rectification approved suggestions submitted by the party rectification office of the provincial CPC Committee on making clear distinctions in terms of policy between the normal operation of township enterprises and unhealthy tendencies.

The suggestions pointed out: The development of township enterprises has great strategic importance in terms of improving the rural industrial structure, arranging the surplus manpower in rural areas, developing commodity production, accumulating construction funds of villages, and invigorating the province's economy. During the rural party rectification, we should carefully analyze the problems developed in the course of developing township enterprises. We must make clear distinctions between the normal operation of township enterprises and unhealthy tendencies. We should resolutely correct the unhealthy tendencies while upholding the practice of reforms, opening up and invigoration. We must not take a relaxed attitude at one time and tighten the measures at another.

There are eight points in the party rectification office's suggestions on making clear distinctions in terms of policy between the normal operation of township enterprises and unhealthy tendencies.

First, we must make clear distinctions between mistakes made when carrying out the work of reforms and practices of abusing power and dereliction of duty.

Second, we must make clear distinctions between unreasonable terms in contracts because of being inexperienced and practices of abusing power to monopolize pricing and to demand a lower price for contracts. In case there are certain unreasonable terms in contracts because of being inexperienced, we should generally affirm their validity provided that the procedures are complete and the terms do not violate any policy or regulation. But in case there are particular contracted quotas that are very unreasonable and the workers complained of them, we should, on the basis of doing well in work, make the necessary readjustment. Also, we should resolutely correct the practice in which some cadres abuse power to monopolize pricing and to demand a lower price for contracts.

Third, we must make clear distinctions between distribution according to work, giving more to those who work harder, and the practice of distribution according to false figures, arbitrarily giving money and payment in kind.

Fourth, we must make clear distinctions between the practice of purchasing and exchanging the necessary raw materials among units and the speculation of goods and materials that are in short supply.

Fifth, we must make clear distinctions between necessary entertainment during business contacts and the practice of corruption, giving gifts and entertaining guests at public expense.

Sixth, we must make clear distinctions between the practice of sending party and government cadres to enterprises, to work as well at enterprises recruiting staff according to the authorized size, and the practice of party and government cadres working at enterprises for their own gain.

Seventh, we must make clear distinctions between the practice of finding jobs in enterprises for spouses and children of cadres by going through the formal procedures and those of cadres who abuse power and place their children and relatives in certain positions in enterprises.

Eighth, we must make clear distinctions between the practice of factory directors and managers who, within their functions and powers, recruit competent technicians and workers, as well as promote the responsible cadres and those who recruit staff indiscriminately by abusing power.

BEIJING: LI XIMING ATTENDS LEGAL SYSTEM PROPAGANDA MEETING

SK250235 Beijing BEIJING RIBAO in Chinese 13 May 86 p 1

[Text] From 11 to 12 May, more than 100,000 people from all walks of life in the capital enthusiastically attended the Beijing municipal legal system propaganda activities sponsored by the municipal Working People's Cultural Palace.

Li Ximing, secretary of the municipal CPC Committee, Cai Cheng, vice minister of justice, Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee; Li Guang, Wang Guang, and Wang Lixing, Standing Committee members of the municipal CPC Committee; Feng Mingwei, vice mayor; Ma Yaoji and Zhang Dazhong, vice chairmen of the municipal People's Congress Standing Committee; and Gan Ying, vice chairman of the municipal CPPCC Committee, as well as other leading comrades and the masses from various circles, attended the rich and colorful activities. According to incomplete statistics, during these activities, a total of 150,000 copies of legal propaganda materials were distributed, more than 400 legal system propaganda pictures with graphs and explanations were displayed, and 19 consulting service centers on compulsory education law, economic law concerning foreign nationals, civil law, criminal law, marriage law, and economic law were set up. The food hygiene law and pharmaceuticals management law consulting service centers also displayed some 200 samples showing genuine and fake foodstuffs and medicine.

During the activities, the various sorts of vivid legal system propaganda items were well-received by the masses. The municipal lantern riddles association prepared some 400 riddles with legal knowledge content for the occasion which attracted a continuous stream of visitors. The municipal State Security Bureau played videotapes on how to guard against enemy agents and spies and how to safeguard state security, sponsored lecture meetings on how to study and apply the law, legal knowledge book sales, and simulated court trials, as well as a special performance entitled "The Reviviscent Hearts," presented by the Tiantanghe farm reformatory. The performances presented by the literary and troupe of the municipal Armed Police Forces attracted many visitors. All of the 300 seats in the simulated court trials were occupied and three more shows were added on the first day at the request of the viewers.

BEIJING CRACKS DOWN ON PROFITEERING SOFT DRINK VENDORS

HK260736 Beijing CHINA DAILY in English 26 May 86 p 3

[By CHINA DAILY staff reporter]

[Text] Seven unlicensed private soft drinks traders have been arrested for charging exorbitant prices and beating up customers who refused to pay them in a municipal campaign to crack down on widespread profiteering and hooliganism at free markets and stalls. The arrest were announced on Sunday by Haidian district police sub-bureau at a rally organized by the district's People's Government as a warning to private traders seeking profits at consumer's expense. The seven traders were charged with physical assault in three separate incidents in April and May, when they attacked five people who had protested against their price rises at the Military Museum of the Chinese People's Revolution in western Beijing.



On May 11, one trader stabbed a customer in the stomach with a kitchen knife when he and two other traders got into a quarrel with the customer, who bought two bottles of soda water but refused to pay the 1.5 yuan asking price -- 10 times higher than officially-fixed price for each bottle. In another incident on May 13, another trader and his assistant beat up a salesman at a nearby state-run cold drinks bar for selling soft drinks at the state-fixed price of 15 fen per bottle because this was undermining their own trade.

In a speech at Sunday's rally, Vice-Mayor Feng Mingwei said public security bureaux must join with state industrial and commercial administration departments to deal "relentless blows" at profiteering traders and tackle their cases promptly so to smash "this evil trend" at free markets. He said a city-wide investigations would begin on Monday to get rid of illegal traders by imposing heavy fines or confiscating their business facilities. Except for those who sell vegetables, the vice-mayor said, all traders must register with the municipal authorities or they will be banned as illegal under the city's market regulations. All traders, including vegetable sellers and state-run stalls and vans, must also operate their businesses at designated places and display their business license certificates, signboards and price tags.

Reckless profiteering has become a serious problem in some parts of the city, impairing the image of Beijing as the capital of China and arousing great public indignation among residents, Feng said. The police station at Xijiao market alone handled more than 170 cases between February and mid-May of private vendors beating up customers and even state market inspectors.

Most of the private traders involved in the disputes were said to be unlicensed ones who usually had no other jobs or were migrants from other Beijing without permanent residence permits. An estimated 50 per cent of traders at Beijing Zoo are believed to be unlicensed and at the Military Museum of the Chinese People's Revolution the figure could be as high as 90 per cent, according to the Capital Information Bulletin.

CHINA COMMERCE JOURNAL reported that these profitterring traders have become so arrogant that they even dared to beat up newspaper reporters. On May 19, the paper said, one of its reporters was beaten black and blue near Beijing Children's Hospital in east Beijing when he tried to protect a woman customer who was being order by two private traders to pay 80 fen for a soft drink officially prices at only 15 fen.

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PRC REGIONAL AFFAIRS  
NORNSU URGES IMPROVED BACKWARD COUNTIES FAMILY PLANNING

T 1

HK280217 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 27 May 86

[Excerpts] The Gansu provincial grass-roots family planning conference which concluded on 27 May proposed that this year the province should focus on improving the performance of backward counties, organizing pilot projects, and promoting the good upbringing of children. Last year there were 9 counties in the province where the percentage of births not covered by the plans exceeded 35. Backward counties cover a rather large area. The provincial authorities are preparing to improve work in the backward counties by organizing them to sign contracts and to learn from the experiences of advanced counties. The conference held that the departments concerned should vigorously publicize the disadvantages of early and arranged marriages so as to reduce the number of such marriages.

Gansu Radio Commentary

HK271440 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 24 May 86

[Station commentary: "It Is Necessary Unremittingly To Do Well in Grasping Family Planning Work"]

[Text] The meeting of representatives of advanced collectives and advanced individuals in family planning has successfully concluded. After returning to their places, through publicizing and implementing the spirit of this meeting, the representatives will surely push forward the deepgoing development of family planning work of our province.

During the Seventh 5-Year Plan period, 1.39 million women will enter the marriage and child-bearing age and a new peak of population births will emerge. The task of controlling population growth is very arduous. However, the experience of all places in doing family planning work tells us that so long as the leaders attach importance to this work, family planning work can surely be done well.

Therefore, we hope that all places will seriously sum up the experiences in this aspect, include family planning work in the building of socialist spiritual civilization, vigorously study countermeasures, formulate effective measures, and grasp this work in a down-to-earth manner and to the end. We must do family planning work still more effectively during the Seventh 5-Year Plan period.

YIN DESHENG ATTENDS QINGHAI LEADING CADRES MEETING

HK200238 Xining Qinghai Provincial Service in Mandarin 2230 GMT 17 May 86

[Text] Yesterday afternoon [17 May], the provincial CPC Committee and provincial People's Government held a meeting of leading cadres at and above the departmental level of the provincial subordinate organs in Xining. Provincial CPC Committee Secretary Yin Kesheng spoke on the problems of how to organize economic work throughout the province, how to do a good job in grasping ideological education, how to arouse enthusiasm, and so on. Vice Governor Bian Yaowu presided over the meeting.

Vice Governor Wu Chengzhi first reported the situation in industrial production and communications in the first 4 months of this year. He said: From January to April this year, as leaders at all levels and workers worked hard, our province did well in industrial production and communications and shortened the difference between the level of industrial production and communications of our province and the national average level.

However, judging from the overall situation, the fulfillment of the quota for the output value was not ideal. The quality of products of a fairly large number of enterprises was poor, the amount of their consumption went up, and their economic results were bad. In light of this situation, all industrial and communications enterprises throughout the province must clearly understand the situation and take effective measures to promote production in the second and third quarters.

In his speech, provincial CPC Committee Secretary Yin Kesheng emphasized four views on our province's current economic work:

1. It is necessary to take a correct view and to handle well the relationship between speed and economic results. Only by maintaining a certain rate of increase can we achieve relatively good economic results. While laying stress on economic results, we must improve the quality of products and reduce the amount of materials consumed.
2. It is essential to make full use of the economic lever's readjustment role, to work hard to overcome and correct the past defect of excessively rigid control, and to ensure as far as possible that we act in accordance with objective economic laws. We must fully utilize the economic measures of prices, taxation, interest, and wages to readjust the irrational factors in the production relations to promote the development of productive forces.
3. It is imperative to adhere to the concept that to exercise leadership is to provide service. The provincial government has organized departments to work on the spot. They have helped lower levels solve many problems. We must persist in the work style that leaders go to the grass roots, work on the spot and provide service to the homes of those who need it.
4. In economic work and in fulfilling the major economic quotas, we must implement the system of individual leaders assuming responsibility. All units must fulfill their quotas and individuals must bear responsibility.

At the meeting, Comrade Yin Kesheng also talked about the problems of how to do a good job in grasping ideological education and how to arouse enthusiasm. He said: While doing well in grasping economic construction, we must concentrate our forces to do well in grasping the building of socialist spiritual civilization. We must further conduct education in party spirit, party style, and party discipline among the party members; extensively conduct education in the legal system among all the citizens; conduct education in ideals and morality among the young people and juveniles; and conduct education in professional ethics and new knowledge and technology among the services trade.

Comrade Yin Kesheng said: Comrades at the grass roots and the masses now fear that the leading comrades of some of our departments only indulge in idle talk and do not solve practical problems in a down-to-earth manner. They fear that our leading comrades stay at the upper level and talk like bureaucrats. Therefore, doing practical work and laying stress on practical results must be a guiding principle for our leading organs and leading cadres. It must be pointed out that to exercise leadership is to provide service. We must advocate and persist in working on the spot and conducting investigation and study.

Leading comrades of the provincial party, government, and Army, including Liu Feng, Huanjiecaolang, Lu Baoyun, Ma Wanli, Song Lin, Gabulong, Han Fucui, and (Qui Shuxian), attended the meeting.

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T 3

PRC REGIONAL AFFAIRS  
NORTHWEST REGION

QINGHAI COMMENTARY EMPHASIZES GRAIN PROCUREMENT

HK211112 Xining Qinghai Provincial Service in Mandarin 2230 GMT 20 May 86

[Station "short" commentary: "It Is Necessary to Seriously Do a Good Job in Carrying Out the Grain Procurement Plan"]

[Text] The work of ordering grain by contract in 1986 has been started in our province. This is the second year that our province has ordered grain by contract. Last year, due to lack of experience in this work and to other reasons, the fulfillment of the quota for grain procurement was affected.

This year, in accordance with the spirit of the central authorities' Document No 1, we must further consolidate and perfect the work of ordering grain by contract. The orientation of reform must by no means be shaken because of the fluctuation of grain production.

State monopoly for purchase of grain has been abolished and the work of ordering by contract has been carried out. This is an important reform of the system of grain procurement. Facts have proved that it is a good way of guiding production and integrating production with marketing. This year, the state has suitably reduced the amount of grain ordered by contract and increased the amount of grain procured at negotiated prices in the market. The state has also given preferential treatment in materials for agricultural use and in loans to the peasant households which conclude contracts. This is an important measure to continuously perfect the work of ordering by contract, to promote grain production, to encourage peasants to sell grain, and increase income. It will play an active part in promoting the fulfillment of this year's quota for grain procurement.

An important rural task now is to carry out ordering by contract in peasant households. Governments at all levels must first do propaganda work well. They must clearly explain to the peasants that the amount of grain procured at negotiated prices is being increased because the state wants to increase grain peasants' income and not because the state has too much grain and wants to procure less.

To carry out the task of ordering by contract in peasant households, it is essential to proceed from realities. We must not go in for rigid apportionment and equal allocation. We must also do penetrating and meticulous political and ideological work, advocating that, when we get rich, we do not forget our country; and that we support the socialist four modernizations.

Leaders at all levels must gear their work to the needs of production and in conjunction with the work of ordering grain by contract, do all aspects of service work well. They must further arouse the peasants' enthusiasm for production and selling grain to guarantee the smooth progress of grain production and of ordering by contract in our province this year.

MAYOR ADDRESSES RALLY ON SERIOUS CRIME

HK250655 Xining Qinghai Provincial Service in Mandarin 2230 GMT 24 May 86

[Excerpts] The Xining City Public Security Bureau, Procuratorate, and Court held a sentencing rally in the railway station square on the morning of 24 May.



Xining Mayor Luo Kunan spoke at the rally. He said: Since launching the crackdown on serious crime in August 1983, there has been a marked improvement in public order in the Xining area. However, there are still fluctuations within this improvement. Serious cases are still occurring. Juvenile delinquency is rather grave. This shows that cracking down on serious crime is a long-term, arduous, and complex task. It is an extremely urgent task facing us. We must unswervingly go on waging this struggle and strive for a fundamental turn for the better in social order.

Twenty-five criminals were arrested at the rally. Twelve were sentenced to terms of imprisonment. Three, including (Fang Guoming), were sentenced to death. Datong County also sentenced six criminals on the same day. Three of them were sentenced to death.

SHAANXI: XUE MUQIAO DISCUSSES ECONOMIC DEVELOPMENT IN XIAN

HK210147 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 20 May 86

[Text] Xue Muqiao, honorary chief executive of the State Council's Economic, Technological, and Social Development Research Center and a well-known economist, was invited by the provincial government to make a report in Xian on 20 May on the situation in China's economic development and on reform issues. Some 700 persons listened to the report, including cadres and science teachers of the provincial CPC Committee and government and their various organs, scientific research units, and institutes of higher education.

In his report, Xue Muqiao made an incisive analysis and summation of China's economic development since the 3d Plenary Session of the 11th CPC Central Committee, and especially during the Sixth 5-Year Plan. He gave theoretical and practical answers to questions on macroeconomic control, growth rates, and the market, and also put forward a number of policymaking views on China's current and future economic work. This report will be published in China's Economic Yearbook, which comes off the press in October.

The veteran Xue came to Xian more than 20 years ago. He has been very concerned about Shaanxi's economic development. Before delivering his report yesterday, he first gave valuable views on economic work in the province. He said: Xian's economy has undergone great development in recent years. A great deal of advanced scientific and technological equipment was transferred from all parts of the country to Shaanxi in the late 1960's and early 1970's. It is strong in science and technology.

Shaanxi has great potentials for economic development. It has abundant resources. In particular, the Guanzhong area is a very prosperous region. In the future, the province should use the strength accumulated in construction during the Sixth 5-Year Plan to develop local industry, especially medium and small enterprises. The province must take full advantage of its abundant resources to develop township enterprises. It should also develop township enterprises. It should also develop commerce and transport undertakings.

Shaanxi must increase lateral economic ties. It should strengthen economic ties and cooperation with the southeastern coastal areas and import their capital, technology, and management methods to develop local industry. The province must use its scientific and technological strength to support the rapid development of local industry and township enterprises.

XINJIANG: SONG HANLIANG ATTENDS SCIENTIFIC FORUM

HK271458 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 24 May 86

[Text] On 21 May, the Academy of Sciences of China held a meeting to report on the fruits of scientific research in the development of Xinjiang. The meeting put forward: Within this century, in the development and building of Xinjiang, while ensuring the steady increase in petroleum, we must apply the development strategy of the national economy with agriculture, animal husbandry, and light and textile industries as the focal point.

Beginning in 1983, the Academy of Sciences of China has conducted scientific research in various items and made preliminary preparations for the development of Xinjiang. At this report meeting, experts reported on a large number of firsthand investigation material and data. This fully shows the rich fruits of the Academy of Sciences of China in the preliminary preparations for the development of Xinjiang in recent years.

When (Xu Yulin), vice chairman of the Committee for Comprehensive Survey of the Academy of Sciences of China and head of the team for comprehensive survey of the development of Xinjiang resources, reported on the suggestions on the development of Xinjiang resources and arrangements for production with stress laid on north Xinjiang, he put forward 12 suggestions on the development of industry, agriculture, energy resources, communications, and so on. He provided a scientific basis for the state and region to formulate a plan for developing Xinjiang.

(Mao Baolin), associate research fellow of the Lanzhou Institute of Geology; (Yuan Fangche), associate research fellow of the Xinjiang Institute of Geography; Shi Yafeng, research fellow of the Lanzhou Institute of Glaciology; and (Wei Yougen), director of the Planning Department of the Xinjiang Branch Academy, successively made reports on research in the formation and evolution of Junggar Pendi and in the formation of oil and gas, in the development of the water resources of Xinjiang, and in the scientific research in the development of Xinjiang that has been conducted by the Xinjiang branch academy of the Academy of Sciences of China over the past 3 years.

Sun Honglie, vice president of the Academy of Sciences of China, made a special trip to Xinjiang to attend the report meeting and spoke. Wang Enmao, vice chairman of the CPPCC National Committee and chairman of the regional Advisory Commission, and Song Hanliang, secretary of the regional CPC Committee, spoke at the report meeting. On behalf of the regional CPC Committee, People's Government, and the people of all nationalities throughout the region, they expressed heartfelt thanks to the comrades who have engaged in scientific research in the development and building of Xinjiang. They said: Beginning in the 1950's, the Academy of Sciences of China has always regarded Xinjiang as the most important working region. Particularly since 1983, the large number of forces mobilized by the Academy of Sciences of China to conduct research in the development of Xinjiang and the vast field of research in the development have been second to none in the whole country. The fruits achieved are very rich and valuable. The academy has contributed toward the development and building of this valuable piece of land in the northwest of our motherland.

Those who listened to the reports at the report meeting were leaders of the regional party and government, including Janabil, Zhang Sixue, Amudong Niyazi, (Teyoumu Bamudong), Liang Guoqing, (Huang Dazhen), Tuohuti Shabier, and Mao Dehua.

ARGENTINE GUNBOAT FIRES ON TAIWAN FISHING VESSEL

OW291128 Taipei CNA in English 1108 GMT 29 May 86

[Text] Buenos Aires, May 28 (CNA) -- A fishing boat from the Republic of China on Taiwan was sunk by an Argentine gunboat Wednesday morning on waters around Malvinas (Falkland) Islands.

The Argentine sources said that the ill-fated fishing boat with 24 crew members on board was Hsien Teh 111. Twenty-two crew members were rescued by Argentine gunboat but among the rescued crewmembers, three were serious injured. A crew member was dead and one was listed as missing, according to the same sources.

Argentine Navy did not confirm the report but local news agency quoted informed sources as reporting that the incident occurred on 365 kilometer out of Argentine continental or 240 miles northwest of Malvinas Islands. The source said that the Argentine Coast Guard gunboat fired on a group of Chinese fishing boats from Taiwan operating out of exclusive zone set by the British Government and near the 200 miles waters zone set by the Argentine Government.

The Argentine naval coast gunboat opened fire on Chinese fishing boats. Hsien Teh 111 was hit by gunfire and sank slowly. The second Chinese fishing boat Chi Fu VI was also hit by gunfire on radio tower and now sailing slowly toward Malvinas Islands. The third one -- Yu Lien Fa -- escaped from the gunfire.

According to local news agency, the 22 rescued crew members of Hsien Teh 111 were on board of Argentine coast gunboat "Azopardo" now sailing toward Argentine continent.

Lei Tsu-kang, representative of Chinese fishing fleet operating in Malvinas zone said that Argentine gunboat captain gave a 10-minute permission to let Chinese fishing boats leave the zone but suddenly the Argentine gunboat fired on Chinese fishing boats.

It was said that a total of 55 Chinese fishing boats were working around the Malvinas Islands.

According to local news agency, Argentine Navy and Coast Guard reluctantly confirmed the incident. The same agency reported that the naval chief of staff will give a press conference Thursday afternoon to inform the details of the incident.

According to foreign wire services reports reaching here from Malvinas Islands, the British warship had asked Argentine Coast Guard to permit it to enter into the waters claimed by Argentina to help rescue crew members of ill-fated Chain Der 111 but was turned down by the Argentine gunboat.

ARTICLE PROFILES XINHUA'S CHANGING IMAGE

HK270404 Hong Kong SOUTH CHINA MORNING POST in English 27 May 86 p 2

[By Kevin Sinclair]

[Text] China's vast NEW CHINA NEWS AGENCY [NCNA] is trying to shed its old image of being a mere propaganda mouthpiece for the party. The sprawling information empire now seeks increasingly to be seen as a major source of world news.

To some extent, the agency is succeeding in efforts to change the way in which it is perceived overseas. But in other ways, it remains firmly wedded to the concept of being the voice of the people, which in Beijing means the Chinese Communist Party, the central government and their subsidiary organs of party and state.

First the good news: NCNA is hitting the headlines more frequently both at home and abroad with a wide range of stories critical or wayward officials, failing economic policies and corruption.

The deputy editor in chief, Mr Yu Minsheng, told me in a recent interview in the cavernous NCNA headquarters near the centre of Beijing that the aim of NCNA journalists was the same as that of reporters anywhere to report the facts objectively.

Now the bad news: Diplomatic and journalistic observers in the capital still look on the agency as nothing more than a propaganda arm of the party. "Sure they criticise individuals known to be corrupt," said one experienced Beijing-based correspondent. "But they seldom get down to the root causes and attack the policies that lead to inefficiency and graft. They criticise people already targetted by the powers-that-be."

Mr Yu was himself a reporter in his native Zhejiang province and later in Shandong before going to the NCNA. His career there has been very successful; he covered the United Nations before China was admitted to the world body. Now, at the news headquarters, he is largely responsible for the day-to-day coverage of world news.

Is the focus of NCNA's coverage changing? Yes, says Mr Yu, but only because the international situation is changing and developing. So is China's national economy. As a news service, NCNA reflects these changes. Like any other international news agency, NCNA keeps abreast of the international situation, he explains. It does so with a network that includes offices in all of China's 29 provinces and autonomous regions and with bureaux in 99 cities around the world. In terms of staff, the biggest bureau is Hong Kong. (Many of the NCNA staff in Hong Kong are, of course, Foreign Ministry diplomats more accustomed to writing political analyses for Beijing than news stories.)

Do NCNA reporters cover the news independently or do they write from the perspective of being the voice of the Chinese Government and party? According to Mr Yu it is the duty of his reporters in the field to tell the story accurately and impartially, to tell what is happening objectively.

But surely the NCNA men and women would not write stories questioning party policies and platforms? Every newspaper and news agency anywhere in the world has its own policies, he said. Journalists reflected these.



But journalists everywhere shared things in common and the main universal factor was to report the facts fairly. NCNA staff did this in exactly the same way as other newsmen, by forging contacts, making friends, talking, reading newspapers, watching television, monitoring local radio stations, visiting places of interest and then making their own analysis and judgment. Maybe NCNA's choice of topics were different from other services but the stories were objective and factual.

As in every country in the world, there was an enormous keenness among young people to become reporters, Mr Yu said. NCNA gets its staff in the same way as any news organisation. Some come from journalism schools, some like Mr Yu from local newspapers in the provinces, some from other ministries.

Today, NCNA still has a core of men and women who came up the traditional route as copy boys. But increasingly the staff are well-qualified experts with language capabilities, like the young reporters and translators I saw in one of the Spanish-language offices. From there, they send stories to NCNA subscribers in bureaux in Madrid, Havana, Lima and a dozen other countries in Latin America.

The news agency which for many years was China's main presence in many parts of the world and which today still carries Beijing's message to much of the globe started modestly in the minor provincial backwater of Ruijin in Jiangxi in 1931. The town was then the headquarters of the communist enclave known as the Central Soviet Area and when the service was set up it was called the RED CHINA NEWS AGENCY. The Red Army broke out of the "iron shackles" thrown around the Jiangxi mountains in the Kuomintang campaigns to liquidate them and NCNA representatives accompanied the soldiers on the Long March.

After proclamation of the People's Republic in 1949, NCNA became the official state news agency. Today, NCNA gets out the news with the swiftest electronic equipment, sending facsimilies in Chinese to Chinese language papers around the world. More than 20 publications are edited from its headquarters, some of them with giant circulations like the 3.5 million copies of the OUTLOOK WEEKLY (aimed at taking world affairs to the grassroots) and the daily REFERENCE NEWS with a circulation of 4.8 million.

The news service, the core of the operation, has a dual role, a twin responsibility. On the one hand, it provides for the people of China virtually the only news they get from abroad. NCNA dispatches are carried by every paper in the land, every television station, every radio news broadcast. It is the eyes and ears of China abroad.

But it also has the job of explaining to the world what is happening inside China. To do so, Mr Yu says NCNA has to go to some lengths to explain in detail why China has adopted a policy, how it is being implemented and what it is aimed at achieving. For this reason, stories about Chinese developments, especially the four modernisations programme, contained more explanations for readers outside China than internally. This was because people inside China knew what was happening and didn't need to be told. The reverse side of the mirror was also true; internal dispatches about overseas events were often lengthier and more detailed than the same story sent by NCNA on its service abroad.

The aim of reporting on the modernisation programme was not only to record the achievements of the plans but also to point out the shortcomings. "To realise the four modernisations is the main task of the entire Chinese people," Mr Yu said. "So it is the duty of our journalists to report on them."

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But NCNA itself and its reporters did not allow their own views to affect their stories. Many people outside China in recent years had noticed a change in the way NCNA treated news. There was more colourful writing, more interpretation, a greater fluidness in digging out news about China, some of which would never have seen the light of day before the open door policies of Deng Xiaoping swept away old bans.

Was the agency now being more daring, more searching, more critical? "Journalists together with the public and the government have the same desire to see things run well," Mr. Yu said blandly, "But all the news we cover, inside and outside China, is based on fact." Many observers in China, foreign journalists, diplomats, businessmen and those who rely on Chinese publications for their perceptions of the world, concede that NCNA now provides a broader, brighter and less biased picture of the world than it did in past years. No longer are its stories a collection of political polemic, slogans, abusive cliches and catch phrases designed to twist the news instead of reporting facts.

But while there is no doubt that NCNA has improved vastly -- especially in coverage of such non-political areas as sports, culture and crime -- it is by no means the independent and autonomous organization that Chinese officials contend. NCNA is still an arm of the Chinese Government and the Communist Party and its reports continue to reflect this fact.

These days, however, the stories that come clicking over NCNA teleprinters all over the world tend to be better-written, more concise, free of party dogma and comparatively straightforward when covering the bread and butter news issues of the day.

YUAN XIANLU NEW RENMIN RIBAO OVERSEAS EDITION DEPUTY EDITOR

HK290232 Hong Kong HONG KONG STANDARD in English 29 May 86 p 2

[Text] The man who laid the foundation of the overseas edition of the PEOPLE'S DAILY in Hong Kong, Yuan Xianlu, will be returning to Beijing on Sunday to assume new office. Mr. Yuan, the chief correspondent in Hong Kong of the PEOPLE'S DAILY, the Chinese Communist Party's official publication, will be in charge of the overseas edition. Sources told THE STANDARD that Mr. Yuan would be promoted to the post of the deputy editor-in-chief, a rank carrying the status of a vice minister. The post is currently being held by Tan Wenrui. Mr. Yuan's assistant, Chen Bowei, 60, will become the chief correspondent in Hong Kong. Mr. Yuan arrived in the territory with three other colleagues from China last June, shortly before the overseas edition made its debut on July 1.

HEILONGJIANG BORDER TRADE WITH SOVIETS DESCRIBED

HK231309 Hong Kong WEN WEI PO in Chinese 23 May 86 p 12

[Report: "Heilongjiang Buys Soviet Passenger Plans, Increases Border Area Trade With USSR"]

[Text] According to sources in Heilongjiang Province, border trade between Heilongjiang and the Soviet Union has become rather active. Heilongjiang recently bought a Soviet T-154 passenger plane. This shows that trade between Heilongjiang and the Soviet Union has developed to a new stage.

It seemed to outsiders that trade between China and the Soviet Union was suspended completely after the two countries became hostile to each other. In fact, only big transactions were stopped; trade did not stop in border areas. In particular, barter trade between the two sides has never stopped, because both sides can get the materials they need. In the early 1960's, the Soviet Union was short of meat. The Soviets exchanged their timber for our pork. In those days, China's material supply was strained and there was not sufficient pork, so China supplied the Soviets with pig guts, and they were also glad to accept this.

Since Sino-Soviet trade formally restored in 1982, such time-honored border trade has begun to develop more rapidly. Before 1982, the trade volume was limited. In 1983, the trade volume increased to 9.3 million rubles; in 1984, the figure was 12 million rubles; and in 1985, the trade volume increased to 30 million rubles. Things this year show that the figure will continue to rise.

The Far East region of the Soviet Union imports food and light industrial goods from Heilongjiang. These goods mainly include pork, beef, canned food, soy sauce, soybeans, towels, thermos flasks, soaps, toothpaste, knit goods, and fur caps. Heilongjiang imports timber, cement, steel products, cars, motorcycles, and refrigerators from the Soviet Union. Now, for the first time, Heilongjiang has bought a plane from the Soviet Union.

Heilongjiang and the Soviet Union share a 3,000-kilometer-long border line. The residents on the both sides of the border are friendly, and the active trade activities contribute to this friendship. At the same time, trade enables both sides to supply each other's needs. This is in the interests of both sides. The Soviet Far East region's industry is developing rather rapidly. However, the supply of food and daily industrial goods there is insufficient. If they transport these goods from the European region, the cost of these daily necessities will be very high. So the Soviets import such goods from Heilongjiang at much lower costs.

On the other hand, Heilongjiang also benefits by importing the Soviet Union's timber, steel products, motorcycles, and refrigerators. Although the quality of Soviet-made cars and refrigerators is not as good as similar goods made by Japan, they are really durable and much cheaper. In China's shops, the price of a Soviet-made refrigerator with a capacity of 160 liters is 800 yuan, but the price of a similar Japanese-made refrigerator is 1,800 yuan. At present, in all prefectures and counties of Heilongjiang which are adjacent to the Soviet Union, special Soviet trade organs have been set up. They exchange orders with the Soviet and set prices for their goods in the currency of a third country.

According to informed sources, the Soviet Far East region is also seriously short on labor force. Although they use farming machines to do farm work, in rainy seasons the Soviets still cannot finish the harvest of wheat in time. Large quantities of wheat rot in the fields. Reportedly, a Soviet university graduate who comes to work in the Far East region can earn five times as much as his salary in Moscow and his house can be three times as large. It seems that the shortage of food and farm products in the Soviet Far East region is related to the shortage of labor force.

China is rich in labor force, so is it possible to cooperate with the Soviets in this field? Reportedly, North Korea has exported quite a lot of labor service to the Soviet Union. The Korean workers help the Soviets fell trees and their work is taken as compensation for the imports of Soviet timber. Will Sino-Soviet trade also develop to this stage? It seems that there is this possibility.

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